HPL Electric & Power Limited
CIN : L74899DL1992PLC048945
Corporate Office : Windsor Business Park, B-1D, Sector-10,
Noida - 201301 (U.P.) | Tel.: +91-120-4656300 | Fax. +91-120-4656333
E-mail : hpl@hplindia.com | website: www.hplindia.com

31st August, 2019

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza", C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: HPL

BSE Limited
25th Floor, New Trading Ring, Rotunda
Building, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 540136

Sub:- Annual Report for FY 2018-19 alongwith Notice of the 27th Annual General Meeting

Dear Sir,

As per the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 27th Annual Report of the Company for the Financial Year 2018-19 alongwith the Notice convening the 27th Annual General Meeting of the Company scheduled to be held on Thursday, 26th September, 2019 at 11:00 AM at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi- 110036 to transact the business as set out in the Notice dated 12th August, 2019.

This is for your kind information and record.

Thanking You

Yours Faithfully
For HPL ELECTRIC & POWER LIMITED

VIVEK
KUMAR

Digitally signed by VIVEK KUMAR
DN: c=IN, o=Personal, postalCode=110095, st=Delhi,
2.5.4.20=3eb36823c8b414e7e934f2e0af3da010641437e49524495d66b6b358709bf23f,
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Date: 2019.08.31 16:43:16 +05'30'

Vivek Kumar
Company Secretary

Encl: As above

HPL Electric & Power Limited

ENRICHING EXPERIENCES WITH SMART SOLUTIONS.

Annual Report **2018-19**

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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.

Corporate Information

Board of Directors

Mr. Lalit Seth
Chairman and Managing Director

Mr. Rishi Seth
Jt. Managing Director

Mr. Gautam Seth
Jt. Managing Director

Mr. Chandra Prakash Jain
Whole-time Director

Mr. Jatinder Singh Sabharwal
Independent Director

Mrs. Madhu Bala Nath
Independent Director

Mr. Tarun Sehgal
Independent Director

Mr. Jainul Haque
Independent Director

Mr. Hargovind Sachdev
Independent Director

Chief Financial Officer

Mr. Sudhir Barik

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. Kharabanda Associates
Chartered Accountants, New Delhi

Internal Auditors

PricewaterhouseCoopers Private Limited (PwC)
Chartered Accountants, New Delhi

Cost Auditors

M/s. Bikram Jain & Associates
Cost Accountants, Jaipur

Secretarial Auditors

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

Registrar & Transfer Agent

Karvy Fintech Private Limited
Karvy 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.karvy.com

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

Bankers/Lenders

State Bank of India

Oriental Bank of Commerce

IDBI Bank Ltd.

DBS Bank India Ltd.

IndusInd Bank Ltd.

Axis Bank Ltd.

HDFC Bank Ltd.

Karnataka Bank Ltd.

ICICI Bank Ltd.

Canara Bank

Bank of Bahrain & Kuwait B.S.C.

Bank of Baroda

Yes Bank Ltd.

The South Indian Bank Ltd.

Union Bank of India

Globally, the rapidly-evolving electrical equipment industry is offering exciting opportunities led by an inordinate interest around smart technologies. There is an unprecedented rise in connected products that can be easily controlled through mobile apps, generates meaningful information and meets the evolving aspirations of consumers. **Starting from smart homes to smart cities, these products and technologies are increasingly penetrating deeper into the mainstream.**

At HPL Electric & Power Limited (HPL), we are aligned to this evolution and have prepared ourselves with well-thought out strategies. Scaling our smart technology manufacturing infrastructure and intensifying our R&D efforts, we have developed a slew of new-age products having better and smarter features. We are participating in domestic and international forums to gain insights and work on developing futuristic solutions. We have built a team of smart thinking people. We continue to improve offerings across our markets and portfolio to deliver best-in-class experience.

At HPL, we are ready to drive the new era of electrical equipment focussed on

Enriching Experiences with Smart Solutions

Delivering Smart and Clean Solutions for an Evolving World

We are operating in an environment where smart technologies are increasingly finding their way into everyday life of consumers. It is opening endless opportunities for companies delivering game-changing innovation. Rising environmental concerns are further opening the way for sustainable products. We have put thrust on R&D to develop technology-enabled and innovative products with improved features, energy-efficiency, automation and communication; we are positioned attractively to enhance our market share.

The world is moving smart and clean

- Indian Government is planning to roll out 300 million tamper-proof smart meters to improve power distribution efficiency.
- Globally, the smart home devices are growing fast and the market is projected to grow at a CAGR of 16.9% during FY 2019-23 to reach 1,557.4 million shipments; smart lighting segment to grow at 34% to 183.2 million shipments.

  (Source: IDC Worldwide Quarterly Smart Home Device Tracker)
- 175 GW of renewable capacity planned to be installed in India, of which 100 GW will be from solar.

We have the capability to deliver

- Strong R&D capabilities
- Manufacturing capacity and capability
- Specialised manpower

R&D capabilities

We have two advanced R&D centres in Gurugram and Kundli which are approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. Additionally, the Gurugram centre is NABL accredited and ISO/IEC 17025:2005 compliant. These centres enable us to keep pace with the velocity of change by developing cutting-edge solutions. This is complemented by in-house two tool rooms that enable rapid prototyping and component designing for complete range of MCBs, MCCBs, meters, changeover switches, switch fuse units, LED lamps. They are equipped with advanced CNC machines for accuracy and quality of produced tools and with CAD software which ensures easy adoption to technology and specification change.

Manufacturing capacity and capability

We have seven integrated manufacturing facilities located across Haryana and Himachal Pradesh with advanced machineries, these facilities enable customised product development for institutional customers and product modification for OEMs and corporate customers. Manufacturing capacity in sufficient to cater the additional demand in near future.

Specialised manpower

Our R&D centres house over 100 expert engineers having rich experience in the electrical industry and a track record of developing game-changing innovation.

Our robust innovation portfolio

Smart products

Metering Solutions

Smart Meters

Solar products

We have a complete range of solar solutions across meters, switchgears, lighting & wires and cables.

Metering Solutions

Solar Net Meter

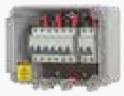
Switchgears

Solar AC Distribution Box

Solar DC Distribution Box

Solar Main Junction Box

Solar Array Junction Box



Lighting Equipment

Solar Batten

Solar LED Street Light

Solar LED Bulb

Wires and Cables

Solar Cables

Our capability to deliver

40+ Years of industry experience

7 State-of-the-art manufacturing facilities

2 R&D facilities

2 Toolrooms

100+ Engineers

Bringing Smart Solutions Deeper into Consumers' Lives

Rising urbanisation and growing per capita income in India are unleashing demand for aspirational products. Consumers are demanding electric products that are safe and reliable as well as sleek, stylish and contemporary with advanced features. While we are leveraging our R&D to meet this demand, we are also actively undertaking brand activities to create an aspirational brand.

India offers a compelling retail opportunity...

- **Rising urbanisation**
- **Rising per capita income**
- **Young and wealthy consumers**
- **Consumers wanting aspirational products**

We are powering our brand equity

HPL became the Official LED and Switchgear Partner of Delhi Capitals IPL team

We associated with Delhi Capitals IPL team in 2019 which provided good brand visibility during live matches with the team sporting HPL logo on their jerseys. The impact was fortified with a fresh campaign 'Karo Powerplay On' which featured three outstanding cricketers – Shikhar Dhawan, Rishabh Pant and Prithvi Shaw. The TV campaign was run with the messaging 'Switch on HPL. Switch on Powerplay', highlighting the superior feature of our products such as outstanding and powerful performance and high reliability with these cricketers. It helped us position as a trusted brand that will keep on the powerplay in the houses of consumers for longer time.

It was further extended on Radio in Delhi NCR across popular channels like 92.7 Big FM, Fever 104 FM and Radio City 91.1 FM. We also got an opportunity to use all 3 marquee players' images on our product packaging and other relevant communication.

Retail branding and outdoor campaigns

We carried out massive retail branding and outdoor campaigning of household products in high potential areas across states. We also undertook several below-the-line activation initiatives such as gate arches during festive season, hoardings, auto rickshaw panels in tier 2 and tier 3 towns to further amplified our brand visibility and strengthened brand connect.

6,000+

Retail boards and in-shop branding executed in strategic locations to enhance brand visibility

Social media and PR promotions

We are undertaking focussed brand campaigns across various social media platforms like Facebook, Twitter, LinkedIn and Google Display to create wider and deeper brand impact by reaching out to large online audiences.

Exhibition participations

We have participated in various domestic exhibitions like Renewable Energy, Light India, Distribuelec, Instore, Ceeamatech to name a few. We had made our presence felt by showcasing our innovative range of product to right stakeholders. These were perfectly in tone with the whole 'Make in India' revolution that is taking over the country.

Dealer and retailer activation

We have strategically organised dealer and retailer meets across 26 cities to enhance product awareness and interact with them for effectively growing our market share. Further, qualified top dealers and retailers incentivised to boost our presence in retail trade .

Sponsoring News18

We sponsored News18 regional channels (Madhya Pradesh, Chhattisgarh and Rajasthan) under the 'Powered by LED lighting' category campaigning during Elections 2018. Carried out for two months, it provided our brand good mileage.

How we are enhancing our B2C

90+
Branch and Representative Offices

21
Warehouses

900+
Authorised dealers and distributors

27,000+
Retailers

240
Basis points increase in advertising and promotion expense to 5.1% of B2C revenues in FY 2018-19

Enriching Consumer Experiences Globally with Smart Value Proposition

The demand for Make in India electric products is on rise due to its advanced technology features, reliability, quality and cost competitiveness. We are participating in multiple global forums to strengthen our presence in these markets with our smart products as well as gain insights into emerging technologies globally.

Global consumers want value proposition

- **High technology certified electric products**
- **Cost competitiveness**
- **Brand reliability**

We are Expanding Network

Participation in NEEK Electro Expo 2018, Nepal

Our stall received good footfall and was visited by dignitaries including the Prime Minister of Nepal. Following this, we arranged local consultants and contractors' meet to build market.

Participation in Electricx Exhibition, Cairo, Egypt

We showcased our latest offerings and product range to a large target audience including consultants, industry experts and relevant people from different states and power utilities.

Participation in Middle East Electricity Exhibition, Dubai

This exhibition provides a platform for showcasing technology and innovation, and thus facilitates in gaining insights into emerging trends in the electric industry. Our positioning in the exhibition as a 'Make in India' brand with highly efficient technology products attracted all delegates and customers.

Other International Exhibitions and Retailer Meet

Housing Minister of Jordan visits HPL stall in Jimex, Jordan

Energy Minister of Palestine at HPL Stall in Jimex, Jordan

HPL Stall in Hanover, Germany

Retailer Meet at Kenya, Africa

How we are enhancing our global presence

6
Participation in Global Exhibitions

40+
Countries of Presence

HPL Electric & Power Limited
Making World a Better Place with Technology

We are India's leading electrical equipment manufacturer with a growing presence across 40+ countries globally. Serving the evolving needs of a world that is increasingly becoming smart with our technology, we are a one-stop destination for electrical products required by institutional and consumer segments. With a wide range of innovative offerings that cater to multiple Indian and International quality standards, we are a preferred player in the segment.

Our reputation

Leading Player
in electric energy meters with 20%* market share

Market leader
in on-load changeover switches with 50%* market share

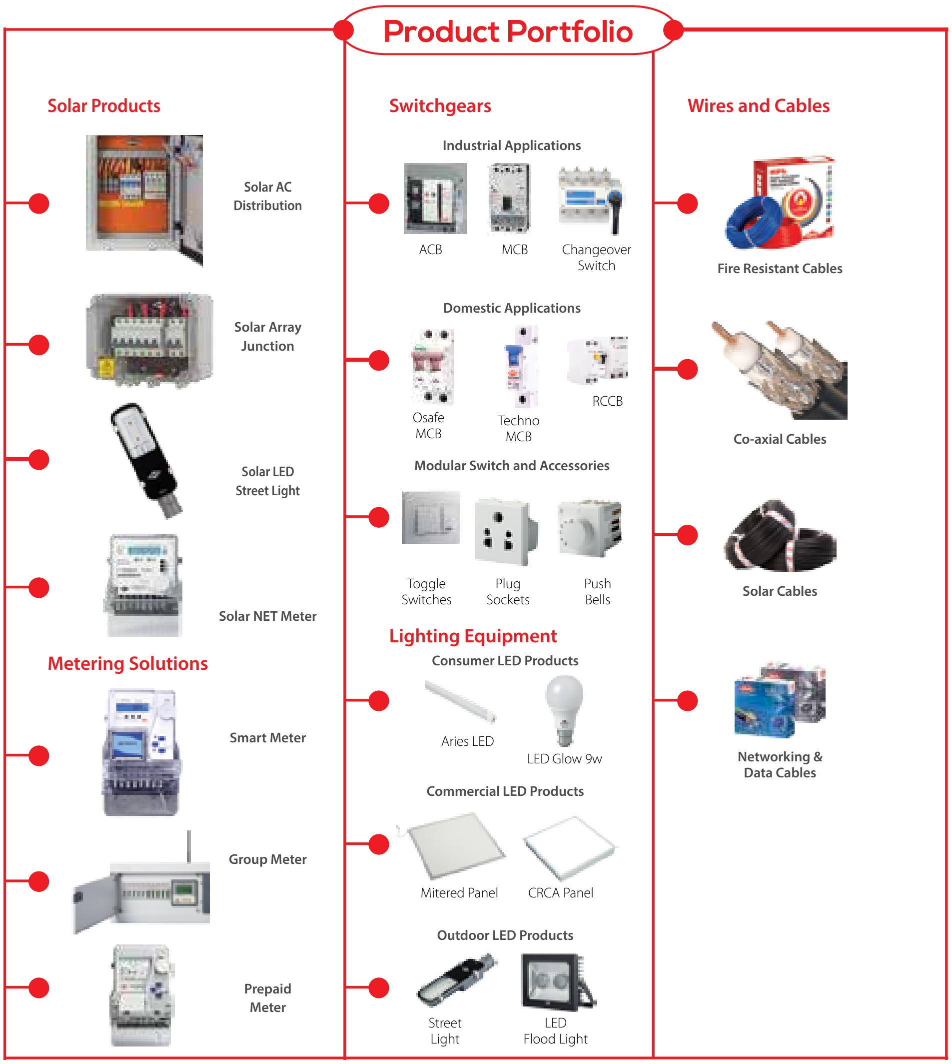
5th* largest
LED manufacturer

5%*
Market share in Low Voltage Switchgears

One-stop shop
For low voltage electrical equipment across market segments and price ranges

(Source: Frost & Sullivan 2016)

Our offerings across four business verticals



Sub-brands

TAB™ | Osäfe (MCB | DB | RCCB) | Pathlite | smART (ART MEETS STATE-OF-THE-ART) | intelliPROTECT (intelligent protection RANGE)

Our market differentiator

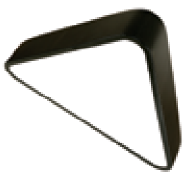
- Innovative, quality and technologically superior products across market segments and price range
- Experienced management team (20+ years experience)
- Relations with power utilities, Government agencies and institutional customers
- Relations with distribution channels
- Strong prequalification credentials providing entry barriers in the metering and switchgear businesses

Wire & Cable manufacturing unit at Gharonda

Key Achievements FY 2018-19

Product launches

Trios lighting & Rays lighting



- High lumens package
- CRCA diecast formed housing with UV and corrosion resistance
- Thermo-painting finish
- Trios lighting is best for architecture lighting application
- Rays lighting is available in suspended and surface

Solar home lighting solutions

- Compact and highly efficient
- Simple, rugged and reliable
- Ideal for rural and remote areas having unreliable power supply

Solar street light 12 W Luminary (Bluetooth)

- Green energy source
- Automated power on and off
- Bluetooth enabled for data access

Spark LED panel

- 2-in-1 sleek design with in-built driver
- High efficiency and brighter light

R Lamp & COB Lighting

- Aluminium die casting
- Excellent efficacy and performance
- R Lamp has high power factor
- COB Lighting has bridge LUX COB

O Protect

- Sleek, elegant, compact and easy to operate
- Protection against short circuit and overload
- Completely insulated
- Supply indication

Phoenix LED Tube

- High-efficiency LED for optimum light output and power saving
- Soft and glare-free lighting
- Wide beam angle of 1200 with efficacy over 100 Lm/W

Advanced Version Automatic Load Transfer Switch

- Added range with domestic load application (40-125A)
- Suitable for BMS
- Only switch with RoHS compliance
- Pioneer in ATS with Arc Chutes

Orders

Rs. 575.4 crore

Order book size as on May 2019 (net of GST)

Rs. 62.5 crore

worth orders received for meters with smart communication technologies

- 1P Static Energy Meters with 6-Low Pan Technology for effective two-way communication
- 3P Trivector Meter with in-built communication technology and Modem

Rs. 554.6 crore

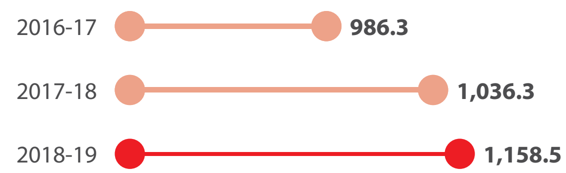
worth orders received for meters including meters of Rs. 156.8 crore with RF and IRDA communications

Strong performance delivered

Net Revenues

(Rs. crore)

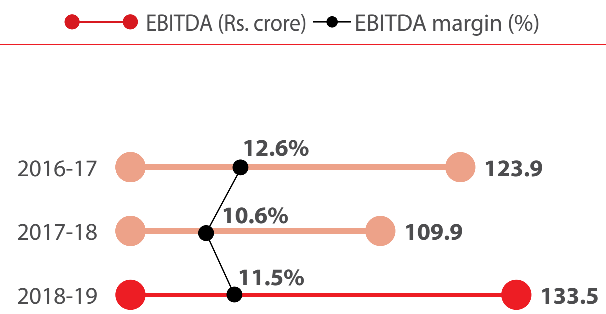
11.8%
over FY 2017-18



EBITDA and EBITDA Margin

21.5%
over FY 2017-18

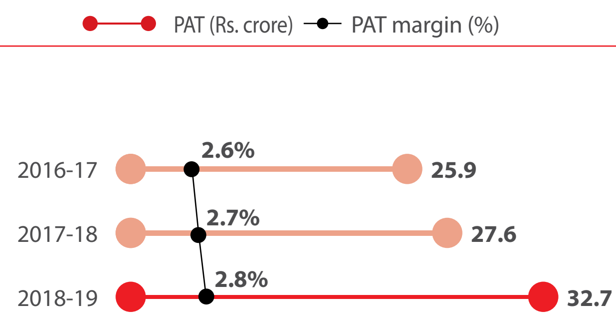
92 basis points
over FY 2017-18



PAT and PAT Margin

18.6%
over FY 2017-18

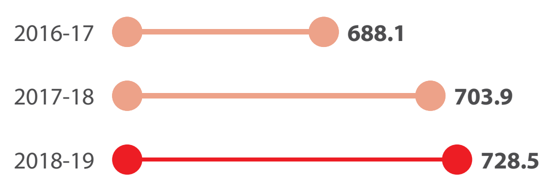
16 basis points
over FY 2017-18



Net Worth

(Rs. crore)

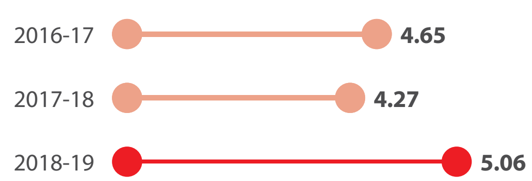
3.5%
over FY 2017-18



Earnings Per Share

(Rs.)

18.5%
over FY 2017-18



Chairman's Message

"HPL is increasingly finding relevance in the industry as newer technologies continue to disrupt. Through smart technology-led products, we are making a positive and meaningful difference to the lives of consumers and the society at large. Our focus will be on making sustained investments in research and development to strengthen our portfolio and in advertising and promotion to improve our brand perception."

Dear Shareholders,

The market context for electrical industry in India is getting exciting. While the competitive scenario continues to prevail, mega opportunities are coming underway, especially in smart and solar product segments which are likely to provide a huge fillip. It is projected that between 2019 and 2023 the shipments of smart home devices globally will grow at a compounded 16.9%. Even in India, the Government is coming out with initiatives like replacing all household and business meters with smart ones to the tune of 300 million and focussing on providing reliable power to all citizens. Complementing the initiatives is the ambitious smart cities projects and the mission to instal 100 GW solar power by 2022. All these are very big opportunities. In fact, the smart metering opportunity is such big that even if a part of it actually materialises the whole metering market could grow exponentially. Obviously, these industry developments are very relevant to us and excite us.

Solid position in a competitive market

We continue to maintain leadership position in the metering and switchgear segments along with establishing strong base in the lighting segment. This helped us deliver strong performance in FY 2018-19 with an 11.8% growth in revenues to Rs. 1,158.5 crore. We saw holistic performances across the key focus businesses of metering, switchgear and lighting, the revenues of which grew 16%, 17% and 15% respectively.

Revenues from wires and cables business, however, declined. This was partly because of the higher base effect as FY 2017-18 revenues were high due to receipt of specialty cable orders. And, partly due to our strategic call of taking a steady approach in the segment as margins here are typically low. This was necessary to channelise our efforts and resources to margin accretive portfolio and improve product mix. Evidently our operating margins improved 92 basis points to 11.5% despite price pressures due to increase in polycarbonate prices. We are further working on centralising purchases to further bring down costs.

We are particularly satisfied with the performance of the metering business and excited of its prospects. Despite a strong execution in the segment, we still have a healthy orderbook pipeline of Rs. 554.6 crores (net of GST) which includes orders for meters with smart communication technologies and with RF and IRDA communication. This reinforces our positioning as a technologically advanced meter supplier.

Making HPL aspirational and consumer-oriented brand

Consumer business is an important pillar for future growth. We have in the last few years focused on enhancing B2C revenues by increasing thrust on brand building activity. Our advertising and promotional expenses as a percentage of B2C revenues has nearly doubled to 5.1% in FY 2018-19 over the previous year.

For the past two years, we have been associating with Indian Premier League cricketing event which is providing immense visibility to our brand. The 2019 IPL edition witnessed a viewership of over 30 crores in the first week which speaks of the boost that our brand got. The impact was further amplified with the performance of the team (Delhi Capitals) and players (Shikhar Dhawan, Rishabh Pant and Prithvi Shaw) that we associated with. Our new product packaging feature these stars and they are finding greater acceptance from retailers and the consumers. This is aiding network expansion and helping grow our consumer facing lighting and switchgear businesses. We are confident of boosting sales.

We have also worked towards maximising the impact of our trade channel through massive outdoor and in shop campaigns, regular meets and incentive programmes to deepen relationships. Our channel financing scheme is showing good progress. Apart from this, we participated in various domestic and international exhibitions. I am sure these initiatives will have a lasting impact on our brand equity.

Boosting portfolio

During the year, we have launched multiple technologically superior products, mostly in the lighting solutions catering to various sectors like household, retail and commercial, on the back of our robust R&D. We have fortified our Solar portfolio with a Bluetooth-enabled solar street light and a solar home light that is targeted to be an ideal solution for the rural and remote areas. In the Switchgear segment, we launched an advanced version of Automatic Source Transfer Switch, which would be user friendly and would be an ideal choice for many critical applications in Industry an Domestic segment. Our efforts going forward will be to come up with more such products that meet the evolving requirements of our end customers in the domestic and international markets.

Outlook

As a Company, our focus will be on enhancing revenues and profitability and getting our working capital right. We have an ambitious target of growing our business and improving return on equity. The single-most important factor that, we believe, shall enable us to achieve this will be capacity utilisation. We have enough capacity on hand which on further expanding with minimal capex towards adding a few production lines would be capable of supporting a much larger turnover. So, this is something that we will be targeting to maximise shareholders' value. We will continue with cost optimisation initiatives as well.

We see metering business grow significantly in the coming years. There is immense push from the Government, both at the state and central level and we foresee it to be a vital focus area for them. We are already witnessing huge inflow of enquiries and expect more tenders to be floated soon. We are well placed in the segment with our portfolio of prepaid meters, software communication driven meters and smart meters all of which have necessary certifications. We will look forward to enhancing our pan-India network, and more so in the tier II and III cities where the next phase of growth is likely to come.

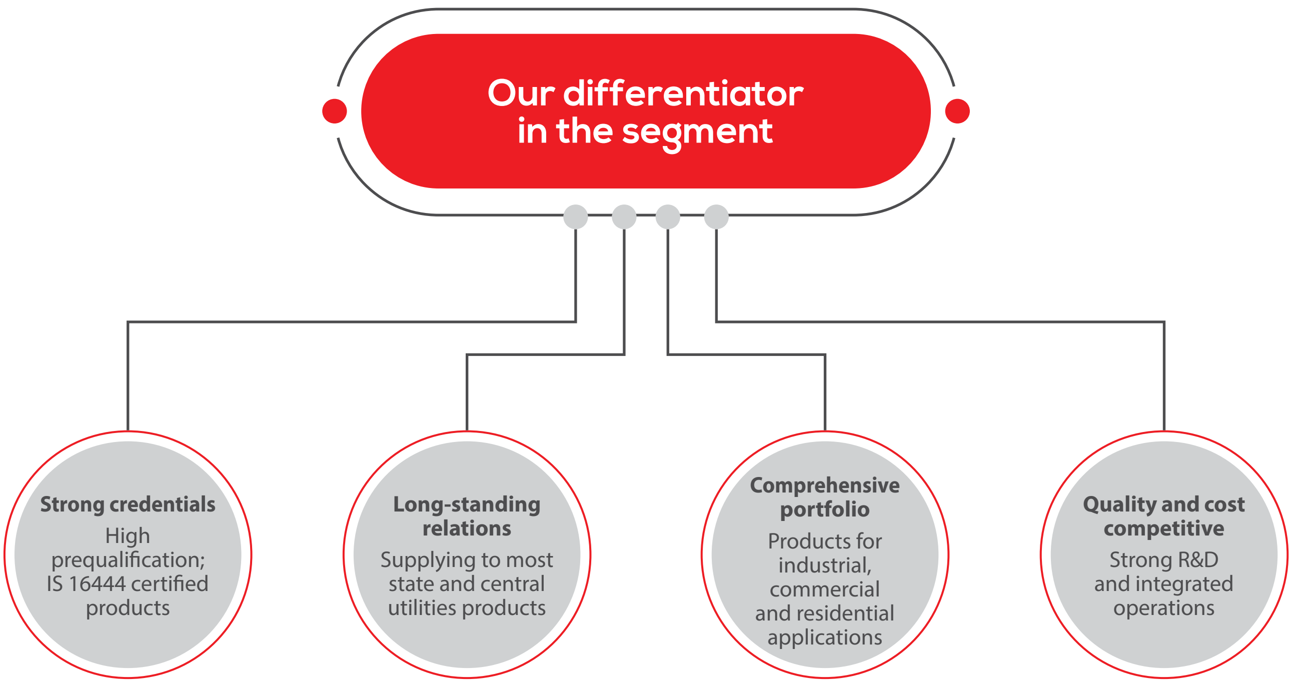
On behalf of the Board, I thank all our stakeholders for their support and trust. Your Company is fundamentally strong in terms of back-end like R&D, specialised manpower and manufacturing. We have got big time into solar and smart products. Our focus on exports and consumer business is building up quite strong. The coming years are going to be more exciting and we will be committed to doing our best and take this Company to greater heights.

Warm regards,

Lalit Seth
Chairman and Managing Director

Driving Power Distribution Efficiency with Smart Metering Solutions

Metering segment in India is witnessing unprecedented growth opportunities with the Government targeting an ambitious project for rolling out 300 million smart meters in the next three years. Being a market leader in the segment with technologically advanced metering solutions and a track record of supplying quality products to state and central utilities, we are well-positioned in the industry.



Operational highlights, FY 2018-19

- Revenues increased 16% to Rs. 609.6 crore, accounting for 52.6% share of the Company's FY 2018-19 revenue
- Received orders worth Rs. 156.8 crore for meter with smart communication technology and with RF and IRDA communication
- **Order book status:** Rs. 554.8 crore of orders received as on May 2019

The Smart Meter Opportunity

300 million smart meters planned to be installed across every home and business in the country over the next three years

What are smart meters?

Meters with embedded software to enable automation and communication

Why?

- They are tamperproof and prevents power theft, enabling discoms to cut down losses
- They improve efficiency by monitoring and transmitting power use data
- Their direct linkage enables real-time digital data reading for accuracy in billing
- They ensure uninterrupted power supply

What is in it for HPL?

- We have robust products like prepaid meters, software communication driven meters and smart meters
- Our products are certified

Electrifying Homes Globally with Comprehensive Switchgear Solutions

Amongst India's oldest LV switchgear manufacturers, we hold leadership position with 50% market share in changeover switches category and 5% across overall category in India and have growing presence across East Africa, SAARC, Middle East and South East Asia. With our third-party lab tested products that comply to various domestic and international standard, we are witnessing rising demand for our switchgear products in domestic and global markets.

Operational highlights, FY 2018-19

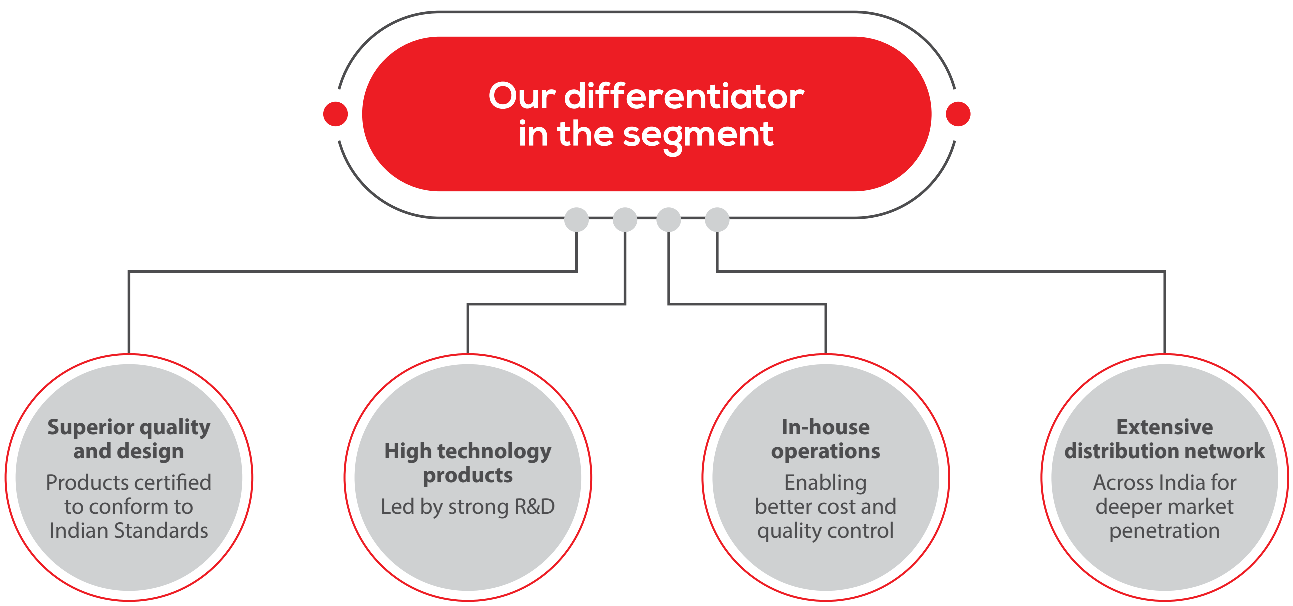
- Revenues increased 17% to Rs. 227 crore and share in Company's overall FY 2018-19 revenue increased to 19.6%
- Strong momentum in the business contributed by growth in trade business due to higher advertising and promotion
- **Order book status:** Rs. 9.5 crore of new orders received as on May 2019

Solar switchgears for enabling clean energy generation

Our Solar-based switchgear products provide compelling advantage in terms of safety and performance. They are relevant in today's era with the Government targeting to instal 100 GW of solar power capacity by 2022.

Making India Brighter with LED Lighting

LEDs and smart lighting are a fast-growing market in India. We have leveraged our manufacturing and electric engineering expertise to enter the segment by manufacturing LED drivers and MCPCBs which are the main components in any LED solution. Our backward integration advantage and strong R&D ensures complete in-house operations. This enables us to deliver better quality and technologically-advanced products at competitive costs, thus positioning us attractively in the segment.



Operational highlights, FY 2018-19

- Revenues increased 15% to Rs. 211.7 crore led by introduction of new products and higher advertising and promotion spending
- Share in Company's overall FY 2018-19 revenue increased to 18.3%

Solutions to lighten up rural areas

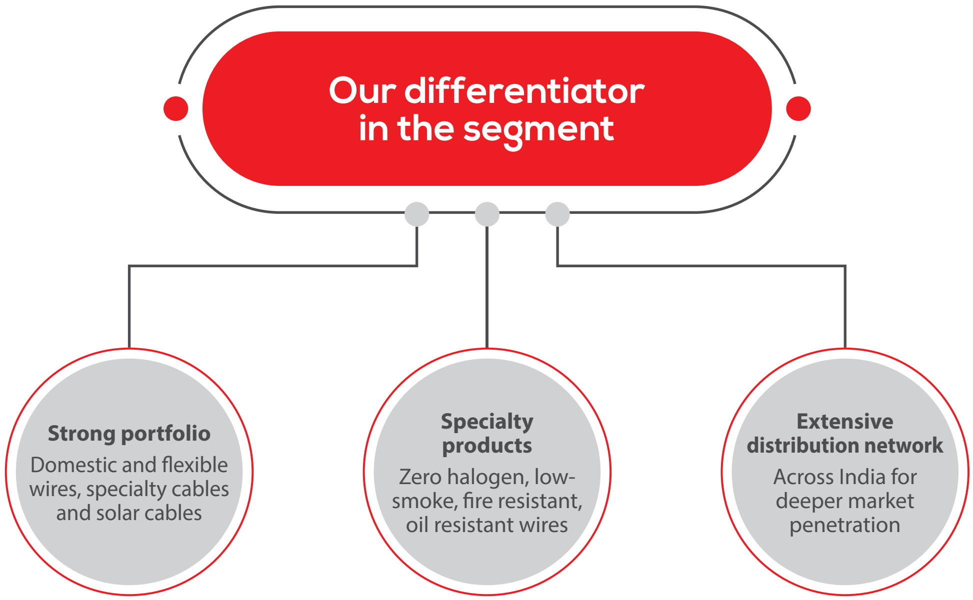
Our newly launched compact and rugged Solar Home Lighting solutions are ideal for rural and remote areas where power supply is unreliable.

Lighting up streets with technology and environment-friendly solutions

Our Solar Street Light 12 W Luminary ensures sustainable lighting and is powered by Bluetooth enabling auto power on and off as well as data access.

Connecting India with Reliable Wires and Cables

We are a leading player in the wires and cables segment having deployed newer technologies to consistently launch value-added products and build a strong portfolio. With massive infrastructure development happening in India, the demand for our products continues to be strong.



Operational highlights, FY 2018-19

- Revenues declined 17% to Rs. 109.8 crore on a higher base of FY 2017-18 which included specialty cable orders
- Share in Company's overall FY 2018-19 revenue declined 330 basis points to 9.5%

Board of Directors

Mr. Lalit Seth

Chairman and Managing Director

He is the vision behind HPL's success and market reputation. Bringing in over 49 years of experience in the electrical industry, he has been instrumental in undertaking several progressive projects. Under his inspiring leadership and dynamic approach, HPL stands tall in the global Electrical Market with its name synonymous with quality, technology and reliability.

Mr. Rishi Seth

Joint Managing Director

He is an MBA (Finance) with over 24 years of experience. A man of sharp vision, he has been instrumental in HPL Group's organic growth. He is responsible for shaping the Company's strategic perspective leading to its diversification and expansion into new avenues including EPC projects and forays in green project. He looks after the Institutional and Government business in addition to a few manufacturing facilities. His major achievement includes HPL's growth in the utility segment, establishing it as a leading Electronic Energy Meter manufacturer globally.

Mr. Gautam Seth

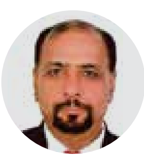
Joint Managing Director

He is a qualified Chartered Accountant and is responsible for the overall functioning and management of the administration. With over 22 years of experience in electrical industry, he has carried forward the Group with dedication and commitment. He actively involves in the Group's sales and marketing activities and has spearheaded its forays into new products and greenfield projects. His strong vision, exemplary leadership and expertise in the electrical market has led the Company to success.

Mrs. Madhu Bala Nath

Non-Executive Independent Director

She holds a bachelor's degree in education and a master's degree in arts from the University of Delhi. She has over 36 years of experience in social service. Prior to joining our Board on 14th January 2016, she worked with the United Nations under various organisations in different capacities. She is an active consultant of gender equality, women empowerment and development and HIV/AIDS.



Mr. Hargovind Sachdev

Non-Executive Independent Director

He holds a bachelor's degree in science, botany (Honours) and a postgraduate in English. He worked with 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) in UCO Bank. He travelled across 15 countries in Europe for Credit Dispensation. He is trained in Credit & Foreign Exchange at Asian Institute of Management, Manila, Philippines and Euro Money, London.

Mr. Jatinder Singh Sabharwal

Non-Executive Independent Director

He holds a bachelor's degree in science from the University of Delhi and has completed a senior executives' program from the Sloan School of Management, Massachusetts Institute of Technology, United States. He has over 32 years of experience in sales and management. Prior to joining our Board on 14th January 2016, he worked with Blue Dart Express as CEO and Brooke Bond India as CEO & Managing Director.

Mr. Chandra Prakash Jain

Whole Time Director

He is an Electrical Engineer and an MBA with 32 years of experience in manufacturing Electrical & Electronic products. He has been an important pillar in Company's growth with his sharp vision and exemplary leadership. In addition to his corporate responsibilities, he heads the R&D centres and the Electronic Meter Division. He was the Chairman of the prestigious IEEMA meter division in 2013-14.

Mr. Jainul Haque

Non-Executive Independent Director

He holds a bachelor's degree in Mechanical Engineering and has over 39 years of experience in electrical industry. He joined our Board on 14th January 2016. Prior to this, he was associated with PSUs like Power Grid Corporation of India, National Thermal Power Corporation and National Aluminium Company-Captive Power Plants in senior managerial positions.

Mr. Tarun Sehgal

Non-Executive Independent Director

He is a qualified Canadian chartered professional accountant. He worked as deputy resident representative-Operations in large United Nations Development Programme (UNDP) offices of Ethiopia and Bangladesh. Demonstrated National Executions (NEX) experience. As senior Financial Officer, BFA, he has worked on issues concerning financial policy, Executive Board and dealt with Internal/External Auditors. He has a work experience in two of the "Big 5" International Accounting Firms. He joined our Board on 14th January 2016.

Management Discussion and Analysis

Global economic overview

In 2017, economic activity was accelerating in almost all regions of the world. The escalation of US-China trade tensions, macroeconomic stress in Argentina and Turkey, auto sector disruptions in Germany and tighter credit policies in China contributed to weakening global expansion, especially in the second half of 2018. This was further aggravated by financial tightening alongside the normalisation of monetary policy in the larger advanced economies. Global growth softened to 3.6% in 2018 from 3.8% in 2017.

World economic performance

(Rs. in '000)

Particulars	2017	2018	2019P	2020P
World output	3.5	3.6	3.2	3.5
Advanced economies	2.4	2.2	1.9	1.7
US	2.2	2.9	2.6	1.9
Euro Area	2.4	1.8	1.3	1.6
Japan	1.9	0.8	0.9	0.4
UK	1.8	1.4	1.3	1.4
Other advanced economies*	2.9	2.6	2.1	2.4
Emerging Markets and Developing Economies	4.8	4.5	4.1	4.7
China	6.8	6.6	6.2	6.0
India	7.2	7.1	7.0	7.2

*Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries

P=projections

(Source: IMF July 2019)

In advanced economies, growth slowed to 2.2% in 2018 down from 2.4% in the previous year. The slowdown was broad-based, notably across advanced economies, except the United States. The euro area slowed more than expected attributable to weak consumer and business sentiment. Factors like delay in introduction of new fuel emission standards for diesel-powered vehicles in Germany, fiscal policy uncertainty, elevated sovereign spreads, softening investment in Italy impacted activity. In France, street protests disrupted retail sales and consumption spending.

Emerging markets faced difficult external conditions amid trade tensions, rising US interest rates, dollar appreciation, capital outflows and volatile oil prices. As per IMF, emerging markets growth softened to 4.5% in 2018 from 4.8% in 2017. East Asia and Pacific remain one of the world's fastest-growing developing regions. The cyclical upturn in commodity exporting regions impacted their momentum, partly reflecting a substantial slowdown in some large economies. Growth in commodity exporting regions was solid but has gradually decelerated.

First half of 2019 witnessed some weakness, and in the second half has been impacted by further increase in tariffs on certain Chinese imports by the US and retaliation by China with rise in tariffs on a subset of US imports. Though additional escalation was averted following the June 2019, G20 summit. Global technology supply chains were threatened by the prospect of US sanctions, Brexit-related uncertainty continued, and rising geopolitical tensions roiled energy prices.

The US Federal Reserve, in response to rising global risks, paused interest rate increases with possibility of rate cuts. The European Central Bank, the Bank of Japan, and the Bank of England all shifted to a more accommodative stance. China ramped up its fiscal and monetary stimulus to counter the negative effect of trade tariffs.

Emerging markets have experienced resumption in portfolio flows, a decline in sovereign borrowing costs, and a strengthening of their currencies relative to the dollar. Measures of industrial production and investment remain weak for most advanced and emerging economies, and global trade is yet to recover. With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.5% after an expected subdued growth of 3.2% in 2019.

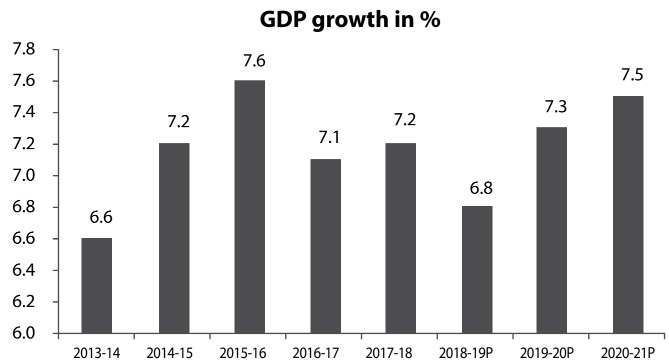
Growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth. Growth in emerging market and developing economies will stabilise, though with considerable variance between countries as subdued commodity prices and civil strife are likely to weaken prospects for some.

(Source: IMF World Economic Outlook, July 2019)

Indian economic overview

India emerged as the fastest-growing major economy amidst global economy battling headwinds. The country's 'ease of doing business' ranking on the World Bank's report exhibited second straight year of improvement to 77th position attributable to structural reforms pertaining insolvency and taxation among others. The provisional estimates of Central Statistics Office (CSO) estimate gross domestic product (GDP) to grow at 6.8% in FY 2018-19, tad slower than in FY 2017-18 at 7.2%. Industrial capacities are running at above average utilisation and outlook is positive for revival of capital investments. Consumer demand is expected to remain at a heightened level with good support from industrial and services sectors in FY 2019-20. Strong electoral mandate at the Centre has set the stage for far-sighted macroeconomic policies on both fiscal and monetary fronts.

India's GDP performance



(Source: CSO, IMF)

Direct cash transfer programme for farmers, middle-class tax relief measures, capital infusions to public sector banks, application of the Prompt Corrective Action (PCA) framework, are all directed towards improving asset quality. With retail inflation level in the country being within RBI's target of 4%, three rate cuts of 25 basis points were initiated in February, April and June 2019 each, to give a boost to the economic growth.

Direct Tax collections for FY 2018-19 fell short by Rs. 82,000 crore at Rs. 11.18 lakh crore mainly due to lower corporate tax collections. This means that the total tax collection numbers increased by 13.4% increase over the previous fiscal but fell short of the revised target of 18%. The overall GST collections for FY 2018-19 stood at Rs. 11,77,369 crore with a monthly average of Rs. 98,114 crore which is 9.2% higher than in FY 2017-18.

Led by lower oil prices, contained Current Account Deficit and a slower pace of monetary tightening with low inflation, India's economy is poised to pick up in 2019. As per IMF, economic growth is expected at 7.3% and 7.5% in FY 2019-20 and FY 2020-21 respectively. Success of various Government policies like GST, Rural Electrification, Housing for All, Smart Cities Mission, Swachh Bharat Mission, Digital India, Make in India, Jan-Dhan Yojana etc. are expected to provide stimulus to economy. India's GDP is expected to reach US$ 6 trillion by FY 2026-27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and other structural reforms.

(Source: CSO, IMF, RBI)

Industry overview

India boasts of having the fifth-largest power generation capacity in the world. India is the third-largest producer and consumer of electricity in the world. India has been ranked fourth in the Asia-Pacific region out of 25 nations on an index that measures their overall power. Electricity production in India reached 1,249.3 Billion Units (BU) during FY 2018-19, up 3.57% over the previous year. The electricity generation target of conventional sources for FY 2019-20 has been fixed as 1,330 BU, up 6.46% as compared to FY 2018-19. India has achieved almost 100% household electrification under the Saubhagya Scheme with all states other than Chhattisgarh having achieved 100% household electrification which included 2,62,84,350 households. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all. India's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of Doing Business - "Getting Electricity" ranking.

(Source: IBEF, Ministry of Power)

Growth drivers like industrial expansion and rising per-capita incomes, are expected to take India's power demand to 1,905 TWh by FY 2021-22. The Government of India has released its roadmap to achieve 175 GW (gigawatts) capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022. Coal-based power generation capacity in India, which currently stands at 190 GW is expected to reach 330-441 GW by 2040. As per the Government, widespread use of renewable energy sources will occur three years ahead of schedule with 57% of the total electricity to come from non-fossil fuel sources by 2027.

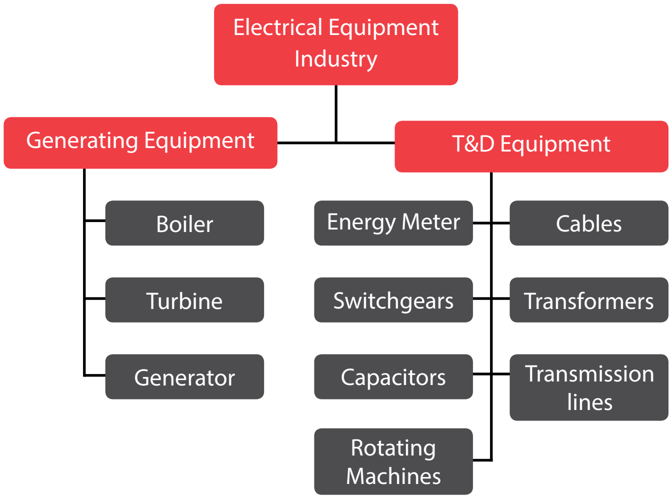
(Source: IBEF, Ministry of Power)

India's energy consumption has been growing the fastest among all major economies. Having more than trebled itself (+199%) itself during 1995-2017, the country's energy demand is expected to grow 156% during FY 2017-40. Coal will contribute most to meeting this demand followed by renewable. India's demand growth is likely to outpace each of the BRIC countries: China (+28%), Brazil (+65%), and Russia (+7%). China's transition to a sustainable pattern of economic growth indicates that by the mid 2020s India may surpass it as the world's largest growth market, accounting for over a quarter of the growth in global energy demand. India is further expected to be largest growth market for coal, with its share of global coal consumption more than doubling to around a quarter in 2040.

(Source: BP energy outlook 2019)

Indian electrical equipment industry

India's electrical equipment industry index in FY 2018-19 clocked a robust double-digit growth of 11.2%. The growth was mainly attributable to strong growth in meters, cables, Distribution transformers (DT), rotating machines (RM) and Low Voltage Switchgear (LVSWGR). Among the sub-segments, Transmission Line Tower (TLT), Conductors Insulator and Inst Transformers (Transmission equipment), High Voltage Switchgear (HVSWGR) and potential transformer (PT) witnessed decline. The rise of India as a super economy has also reflected tremendously in the growth and development of this sector.



Indian Electrical Equipment industry contributes 8.1% of the manufacturing sector in terms of value and 1.35% of India's GDP. It provides employment to 5 lakh people directly, 10 lakh people indirectly and to over 50 lakhs across the entire value chain. This sector consists of generation, transmission and distribution (T&D) equipment. Unorganised players continue to dominate the industry, though GST implementation is likely to drive formalisation.

The Government in its "Indian Electrical Equipment Industry Mission Plan 2012-2022" plans to increase power generation capacity from 200 GW in 2012 to about 400 GW by 2022 along with commensurate T&D capacity enhancement. This will require Indian electrical equipment manufacturers to not only meet demand of such huge capacity addition, but also that of metros, airports, railways, other infrastructure projects and increase in domestic consumer demand.

(Source: IEEMA, SESEI report on Indian Electrical Equipment Including Consumer Electronics Industry)

Electricity energy meters

The IEEMA member companies, accounting for 85% of the total electricity meter market, produce more than 25 million meters annually translating into a revenue of Rs. 3,000 crore. The products are truly 100% made in India products with end-to-end activities like design, development, production and testing done in-house.

The organised players are working to support the Hon'ble Power Minister's ambitious vision of rolling out of smart meters across every household and business in the country. Smart meters are a part of the overall advanced metering infrastructure solutions (AMI) aimed at better demand response designed to reduce peak energy consumption. The target is to improve efficiency by monitoring and transmitting power use data. Meter manufacturers are ramping up production of smart prepaid meters to ensure steady demand as grid electricity consumer base continues to grow.

The initiative will require around 300 million smart meters over a period of three years at an estimated Rs. 2,000 a piece, or US$ 8.7 billion in total. As part of the plan, the federal government is mulling providing subsidies to partially cover the costs. Widespread use of smart meters could be a game changer for ailing Indian distribution utilities. Currently, the distributors lose nearly one-fifth of revenue due to various technical and commercial reasons including power theft or inefficient billing and collection leading to their poor financial health. This in turn prevents them from supplying uninterrupted power countrywide. Other efforts to revive the distributors and spread access to power include promoting energy-efficient LED lighting, solar-power irrigation pumps and using insulated wiring to prevent theft.

Additionally, the Government has come up with several other initiatives that is opening significant opportunities for the segment. Its Integrated Power Development Scheme (IPDS) aims at providing quality and reliable power to urban households. It will also provide financial assistance to strengthen urban infrastructure including subtransmission and distribution networks and metering of distribution transformers (DTs)/feeders/consumers. Deen Dayal Upadhyay Gram Jyoti Yojna (DDUGJY) is furthering the separation of agriculture and non-agriculture feeders. It is also strengthening and augmenting subtransmission and distribution infrastructure including metering at distribution transformers, feeders and consumers and rural household electrification. Government's National Smart Grid Mission (NSGM) has been established for planning and monitoring of smart grid implementation related activities. It is primarily aimed at distribution utilities with implementation of smart metering and grid side automation measures. Inclusion of Smart Grid / Smart Metering investments in IPDS, UDAY, other schemes and mandates of the Government are accelerating early adoption of new technology solutions.

The Government has come up with another mandate which necessitates the use of smart prepaid electricity meters in the country beginning April 2019. It is aimed at revolutionising the power sector by reducing AT&C losses, improving health of DISCOMs, incentivising energy conservation, ease of bill payments and doing away with paper bills.

(Source: https://economictimes.indiatimes.com/industry/energy/power/india-considers-mass-rollout-of-smart-meters-to-revive-utilities/articleshow/69985130.cms)

LV switchgear

Low voltage (LV) switchgear is a well-established industry. Its size including domestic modular switches is estimated at around Rs. 11,050 crore. The industry covers low voltage switchgear products such as air circuit breakers, moulded case and miniature circuit breakers, residual current devices, fusegear products, HRC fuses, thermal overload and protection relays, contactors, starters, distribution boards and factory-built assemblies. The industry caters to end-user segments such as manufacturing industries, residential and commercial buildings, agriculture, infrastructure entities, utilities and OEMs. Weight of LV switchgear in entire electrical industry is about 10.1%. Demand for LV switchgear industry is growing well in both industry and infrastructure segments driven by Government initiatives like Make in India, Smart Cities, national mission for clean rivers, road infrastructure, rail electrification and focus on renewable power.

The industry is well-integrated with the global industry with most major global manufacturers having operations in India and selling their latest global products. Maintenance and downtime are reducing significantly with growing technological advancements and predictive maintenance. The industry is witnessing emergence of new business models such as pay as you save. Digitisation is expected to disrupt manufacturing process and increase intelligence of devices. Smart switchboards are emerging with communication capabilities installed in it.

The industry employs superior technologies and machinery for high-quality products. The cost-competitiveness of the local switchgear industry is reflected in the growing exports. Increasing imports is a matter of concern, as its major constituents are not transparent. Within imports, 6% is contributed by products reported in the category 'others' – Others (53600 – 3%), other relays (536400 – 17%), other switches (536500 – 23%), and other circuit breakers (536200 – 7%). The Indian LV switchgear industry has been growing competitive strength in a few products like miniature circuit breakers, earth leakage circuit breakers, HRC fuses and air circuit breakers where its exports are significantly higher than the imports.

LED lighting

The Indian lighting industry is evolving rapidly due to the shift from conventional bulbs to LEDs, driven by Government's increasing energy conservation initiatives, rising consumer awareness on energy-efficient products and innovative product offerings in sync with the mega trend of digitisation. According to a report from the Electric Lamp and Component Manufacturers Association (ELCOMA), the Indian LED market is expected to grow to Rs. 261 billion by 2020, which is approximately 80% of the total lighting industry. The market for energy-efficient products such as LED lighting is bound to grow, riding on the initiatives that encourage the use of LED lights, the focus on smart city projects, an efficient public distribution system and the ever increasing need for a smart, connected lifestyle.

Under the Unnat Jyoti by Affordable LEDs for All (UJALA) scheme, the Government has accomplished distribution of 30 crore LED bulbs across India leading to over 38,952 million kWh of annual energy savings amounting to Rs. 15,581 crore. Due to sustained efforts by the Government towards procurement and distribution of LEDs, India's share in the global LED market has increased to 12% from a mere 0.1%, with the domestic penetration rising to 10% from 0.4%. India is likely to be the first country in the world to use LEDs for all lighting needs by 2019, which would help to save over Rs. 40,000 crore a year. Additionally, EESL has entered into agreements with oil marketing companies for selling its LED bulbs, tube lights and smart fans at over 54,500 petrol pumps.

With India being the second-most populated country in the world and one of the largest consumers of electricity, it is witnessing an increasing electricity demand-supply gap. This has resulted in regular power shortages and blackouts across the country. The lighting sector currently accounts for around 18% of the total electricity consumption in India. As a result, the Government is playing an active role in replacing the current lighting sector with energy efficient products. This is expected to drive the market for smart lighting in India which is currently witnessing strong growth. Smart lighting is an innovative technology that is replacing conventional lightings such as incandescent bulbs, halogens, CFLs, etc. with more efficient LED lights and sensors for energy conservation. Smart lighting uses LEDs that can be adjusted remotely using a smartphone facilitating reduction in energy consumption and electricity costs making it more affordable.

(Source: IEEMA)

Electrical wires and cables

The Government's focus on Power for All, rural electrification, improving infrastructure, robust spurt in the number of electrified households, improved lifestyles and new opportunities are propelling the demand of domestic cables and wires and electrical items. The wires and cables market in India comprise nearly 40% of the electrical industry and is expected to witness 15% CAGR, over the coming decade led by growth in the power and infrastructure segments. Growth in the segment is attributable to the recent Government policy and regulatory initiatives like UDAY, DDUGJY, IPDS, Pradhan Mantri Sahaj Bijli Har Ghar Yojana Saubhagya, and Railway Mission 41K among others. There is also a sharper focus on high voltage transmission lines as the Government aims to provide reliable and stable 24×7 power.

(Source: IEEMA)

Company overview

With over four decades of rich experience, HPL Electric & Power Limited (HPL or the Company) is India's leading electric equipment manufacturer. The Company owns a diverse portfolio of electric equipment, including, metering solutions, modular switches, switchgears, LED lighting and wires and cables. Catering to both consumer and institutional customers, the Company is amongst India's most trusted and preferred electrical brand.

The Company has seven state-of-the-art manufacturing facilities, two R&D centres with over 100 engineers, over 90 branch and representative offices and 21 warehouses across India. Its superior backward (backend) integrated facilities have the capabilities of product design and development, component designing, tool manufacturing and commercial production. HPL is a well-established brand, with a proven track record of products conforming to Indian and International standards such as ISI, CE and KEMA. It is the fifth-largest LED manufacturer and captures 20%

market share in electronic energy meters, 50% market share in on-load changeover switches and 5% market share in LV switchgears. The Company's manufacturing facilities are ISO 9001:2000 certified. They are located strategically in Gurugram, Kundli, Sonepat, Karnal and Himachal Pradesh.

The Company strives to enrich lives by improving the reliability and efficiency of its products and technology for a widespread customer base across major continents and countries. It exports finest engineering products to over 40 countries in Asia, Africa, Europe, UK and Indian Sub-continent through overseas logistic partners.

Financial overview

Total net revenue (on consolidated basis) witnessed a growth of 12% to Rs. 1,158.5 crore in FY 2018-19 as compared to Rs. 1,036.3 crore in FY 2017-18. EBITDA grew 22% to Rs.133.5 crore in FY 2018-19 as compared to Rs. 109.9 crore in FY 2017-18. EBITDA margin improved 92 basis points to 11.5%. The net profit grew 19% to Rs. 32.7 crore from Rs. 18.6 crore in the previous year. The consumer facing business lighting and wire and cables segment which encompasses non-utility metering, switchgear, lighting and wire and cable segment revenues comprised 52% of total revenues. The remaining pie of the business was the B2B segment comprising metering revenues form utilities and EESL. Balance sheet was healthy with debt to equity ratio of 0.69 as on 31st March 2019.

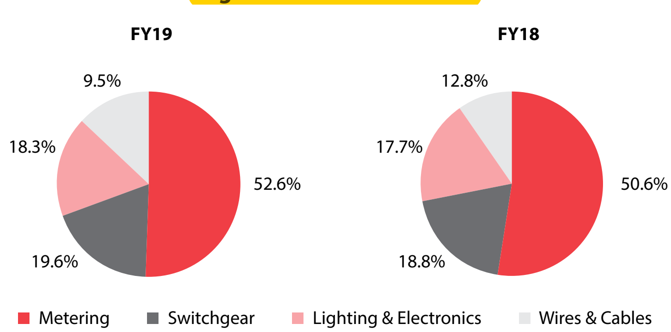
The Company recorded growth trajectory across all three major businesses – metering, switchgear and lighting. The Company successfully delivered on its commitment of double-digit growth, operational cost control and lower working capital days. Impactful brand building and marketing initiatives during the year under review such as becoming the 'Official LED and Switchgear Partner' of Delhi Capitals IPL team received overwhelming response. It drove significant boost in consumer facing business and brand connect with consumer.

Significant changes in key financial ratios along with their explanation:

During the financial year ended 31st March 2019, there is no change of 25% or more in key financial ratios.

Segment-wise performance

Segment Revenue Share %



- **Metering business**: The segment witnessed eight consecutive quarters of positive growth trend. FY 2018-19 saw annual revenue reaching record high at Rs. 609.6 crore, growing by 16% and with a margin of 15.1%. The current metering order book at Rs. 554.6 crore as on May 2019 gives good revenue visibility for the upcoming year.
- **Switchgear business**: The segment has seen robust performance over the last eight quarters backed by renewed management focus. FY 2018-19 revenue grew 17%, sustaining strong momentum in the trade business, taking revenues to Rs. 227 crore with a margin of 18.9%.
- **Lighting business**: Revenues grew 15% to Rs. 211.7 crore with 11.4% margin. Robust growth in LED business more than offset the phase out of CFL business.
- **Wires and Cables**: Business declined on a higher base which included speciality cable project orders. Revenues declined by 17% to Rs. 109.8 crore with 4.4% margin.

Management Outlook

The Company is positive on the prospects of the Indian electrical equipment industry especially in the sub segments it operates in. Leveraging its rich experience and strong brand equity, the Company is striving to consolidate its leadership position in all the three major segments of – metering, switchgear and lighting. The Company has strong intent to grow contribution of high margin B2C segment as compared to the capital intensive cyclical B2B segment.

The Company foresees significant business potential in the LED lighting led by Government's initiative to propagate it in 2019 and growing its popularity among urban and rural consumers. The Company intends to continue its branding initiatives across different media platforms. It aims to leverage the brand building efforts to aggressively grow consumer businesses over the coming years. The strong order book in the various segments ensures robust growth prospects for the Company.

SWOT analysis

Strengths
- 7 state-of-the-art manufacturing facilities
- Robust R&D capabilities
- Strong pan India distribution network
- Long-standing relationships with power utilities, Government agencies and Institutional customers
- Strong pre-qualification credentials
- Strong brand equity
- Rich experience

Weakness
- Temporary decline in wires and cables segment
- Low market share in LV switchgears

Opportunities
- Strong industry growth prospects
- Government initiatives like UDAY, electrification for all, railway electrification, smart cities mission, 24x7 power, IPDS, etc.
- Smart lighting gaining increasing acceptance

Threats
- Economic slowdown
- Change in policy framework
- Raw material availability and price fluctuation risk
- Concentration of clients
- Increasing competitive pressure

Risk management

Established systems and reporting structures are an integral part of an all-inclusive risk management framework aimed at timely identification, evaluation and pre-emption of potential risks. Talented professionals well-qualified to balance business risk and reward relation enable the Company to ensure sustainable and profitable growth in an ever-evolving environment. Appropriate risk mitigation measures are established to overcome adverse situations which may arise on account of foreseeable risks.

- **Economic risk:** An economic slowdown results in lower consumer spending which in turn translates into declining activity for various sectors. Any slowdown in the power sector may directly impact the business of the Company.

  Mitigation: The Indian economy is in good shape and is one of the fastest growing economies in the world despite global turmoil. The Company continues to diversify its product offerings as well as geographic presence to be resilient to any economic slowdown. Strong focus on innovation led by an able team of professionals enables the Company to keep consumer interest high by introducing energy saving devices.

- **Policy related risk:** Unfavourable or unforeseen changes in law may adversely impact the Company's business.

  Mitigation: The Company has created a strong moat with well-diversified presence across different business segments, innovative products, strong focus on research and development and fair and transparent practices. Its skilled team closely monitors change in applicable law or introduction of new regulations and ensures readiness to compliance within stipulated timeframe.

- **Raw material risk:** Disruption in supply of raw material or unforeseen fluctuation in prices may put at stake business profitability.

  Mitigation: Strong leadership position, rich experience and long-standing relationships with suppliers enables the Company to enter into favourable contracts thus eliminating raw material risk.

- **Client concentration risk:** Changes in consumer preference especially in case of over dependence on any client may pose risk to financial earnings.

  Mitigation: Well-diversified product portfolio, presence across business segments and widespread distribution of operations insulate the Company from risks arising from over dependence on a particular client. Steady cash flow is further ensured by catering to various Government bodies, institutional clients and retail consumers.

Internal controls framework

The Company has a well-defined and structured internal control mechanism, commensurate with the size and nature of the business. It follows stringent Standard Operating Procedures (SOPs), policies and guidelines to safeguard assets from unauthorised use, while ensuring compliance with applicable statutes and laws. Regular monitoring procedure and self-assessment exercises ensure strict adherence to compliance. Code of Conduct is in place to chalk out guidance for employees in the workplace.

Highest standards of ethical code are promulgated, and employees are encouraged to report any unethical behaviour. The Company ensures that work culture in no way conflicts with business interests. Self-monitoring mechanisms are devised to maintain efficiency and effectiveness of business operations and to ensure absence of any fraudulent conduct.

The Company conducts its internal audit through Internal Auditors that regularly monitor the operations, business competitiveness and accuracy of accounting methods. Any observations and recommendations are discussed with the Management. The internal audit team independently reviews and strengthens the control measures to ensure strict compliance to all possible rules and regulations applicable.

Human Resources

Being a research-oriented Company, human capital is one of the key resources to ensure business sustainability and growth. Employees are encouraged to grow both at personal and professional levels through regular skill and personnel development training to enhance their productivity. The team of over 100 professionals is the key factor driving innovation securing future growth prospects. The Company encourages a work environment conducive to aligning personal goals with that of the Company's to create a win-win situation. Ample recreation activities are organised keeping personal growth in view. The total employee strength of the Company was 1,336 as on 31st March 2019.

Cautionary statement

Statements in the Management Discussion and Analysis report describing the Company's objectives, projections, estimates and expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed and implied. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Director's Report

Dear Members

The Directors have pleasure in presenting 27th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

1. Financial Highlights

The Company's financial performance for the year ended 31st March, 2019 alongwith previous year's figures is summarized below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	110,259.11	102,336.43	115,847.46	106,135.62
Other Income	398.13	381.57	470.27	442.78
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	12,133.09	10,055.27	13,822.34	11,429.79
Less: Finance Cost	5,276.15	4,615.67	5,814.67	5,101.83
Less: Depreciation and amortization expenses	2,986.61	2,137.00	3,203.65	2,279.04
Profit before Exceptional Expenses and Tax	3,870.33	3,302.60	4,804.02	4,048.92
Profit before tax	**3,870.33**	**3,302.60**	**4,804.02**	**4,048.92**
Less: Tax Expenses	1,231.81	1,020.56	1,532.81	1,291.16
Profit for the year	**2,638.52**	**2,282.04**	**3,271.21**	**2,757.76**
Other comprehensive income for the year, net of tax	(20.88)	(1.08)	(20.49)	(1.36)
Total comprehensive income for the year, net of tax	**2,617.64**	**2,280.96**	**3,250.72**	**2,756.40**
Profit for the year attributable to				
Equity holders of the parent Company	2,638.52	2,282.04	3,252.89	2,742.87
Non-controlling interest	-	-	18.32	14.89
Total comprehensive income for the year attributable to				
Equity holders of the parent Company	2,617.64	2,280.96	3,232.39	2,741.52
Non-controlling interest	-	-	18.33	14.88
Earnings per Share (in Rs) Not Annualised				
Basis (Rs)	4.10	3.55	5.06	4.27
Diluted (Rs)	4.10	3.55	5.06	4.27

2. State of Company's Affairs

The company has witnessed a robust improved financial performance in FY19 with a positive growth trajectory across all three major business – metering, Switchgear and lighting.

The performance during FY19 was marked by higher double-digit growth in all three major businesses – YoY growth of 16% in metering, 17% in switchgear and 15% in lighting business. partially offset in wires & cables business.

Operating margins improved in metering and switchgear business, driving the overall improvement in EBITDA margin.

We successfully delivered on our commitment of double-digit growth, operational cost control and lower working capital days in FY19.

Metering business clocked highest quarterly revenues with improved operating margin. The overall order book as on May 2019 was Rs 575.4 crores (net of GST) and metering order book of Rs. 554.6 crores gives us good revenue visibility for the coming year.

Further tenders for over 2mn meters are currently being evaluated by a couple of states. Enquiry base for Metering tenders are at a healthy level, which provides good visibility and positive outlook for the coming quarters.

Switchgear and lighting business continued to witness strong traction in the trade business. Our brand building and marketing initiatives significantly picked up during last year as we doubled our advertising & promotion spend. We received an overwhelming response as the 'Official LED and Switchgear Partner' of Delhi Capitals IPL team. We aim to leverage on our brand building efforts to aggressively grow our consumer businesses over coming years. It is expected to sustain the double digit growth in all business segments in coming years.

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

As on 31st March, 2019, 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 and accordingly are not Associate Companies as per section 2(6) of the Companies Act, 2013.

Himachal Energy Pvt. Ltd. is engaged in the manufacturing of energy saving meters and other related products. The Gross Revenue of the Company for the FY 2019 stood at Rs. 10,518.83 lakhs (P.Y. Rs. 10,245.67 lakhs). Profit after tax for the year stood at Rs. 642.88 lakhs (P.Y. Rs. 522.60 lakhs). The Company continues its performance momentum and recorded steady growth during the year. This performance is a result of the Company's persistent focus on fundamentals.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated finanacial statements alongwith relevant documents and separate financial statements in respect of Subsidiary company, are available on the website of the Company i.e. www.hplindia.com.

4. Consolidated Financial Statement

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Acccounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statement of a company's subsidiary or subsidiaries, associate company or joint venture or ventures in Form AOC-1 is annexed as **Annexure I.**

5. Material Changes affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

6. Reserves

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

7. Dividend

The Directors are pleased to recommend a dividend of Rs. 0.20 per equity share (2%) for the financial year ended 31st March, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

The dividend distribution would result in cash outflow of Rs. 1,55,03,528 (including tax on dividend of Rs. 26,43,431). The dividend would be payable to all those Shareholders whose names appear in the Register of Members as on 19th September, 2019.

8. 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.

9. Directors and Key Managerial Personnel and change therein

During the period under report, Mr. Vinod Ratan Gupta (DIN: 07401017) ceased to be the Whole-time Director/Director of the Company w.e.f. 21st January, 2019 on account of attaining the age of superannuation. The Board places on record its appreciation towards valuable contribution made by Mr. Vinod Ratan Gupta during his tenure as Whole time Director of the company.

The Board on the recommendation of the Nomination & Remuneration committee, by way of circulation, appointed Mr. Hargovind Sachdev (DIN: 08105319) as an Additional (Independent) Director w.e.f. 13th April, 2018 and thereby his appointment was approved by the shareholders at their meeting held on 27th September, 2018 to hold office for the term of 2 consecutive years w.e.f 13th April, 2018. The company has received consent in writing from Mr. Hargovind Sachdev to act as director in the form DIR-2 and intimation in the Form DIR- 8 to the effect that he is not disqualified U/s 164 (2) of the Companies Act, 2013 to act as Director and confirmation that he meets the criteria of independence prescribed under the Act and the SEBI Listing Regulations.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Chandra Prakash Jain (DIN: 00311643), Whole- time Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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 Act and Regulation 16 of the SEBI Listing Regulations.

Brief details of the directors being recommended for re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been furnished in the Notice dated 12th August, 2019 convening the 27th Annual General Meeting.

10. Number of meetings of the Board

During the period under report, the Board of Directors of the Company met 5(Five) times on 21st May, 2018, 2nd August, 2018, 29th October, 2018, 19th January, 2019 and 13th February, 2019. Particulars of attendance of each director are mentioned in the Corporate Governance Report.

11. Board Evaluation

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 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.

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 and their independence from the management. Therefore the outcome of the performance evaluation for the period under report, was satisfactory and reflect how well the directors, board and committees are carrying their respective activities.

The independent directors in its separate meeting 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) assess 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.

12. Policy on Appointment and Remuneration of Directors and Key Managerial Personnel and other employees

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Directors, Key Managerial Personnel, Senior Management 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 has been posted on the website of the Company at www.hplindia.com.

13. Extract of Annual Return

As per the requirements of Section 92(3) of the Act and rules made thereunder, the extract of the Annual Return for the year ended 31st March, 2019 is annexed as **Annexure II** in the prescribed Form No. MGT-9, which is a part of this report. The same is available on the website of the Company at www.hplindia.com.

14. Listing

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. and BSE Limited. The listing fee for the financial year 2019-20 has been paid to both the Stock Exchanges.

15. 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.

16. Vigil mechanism/ Whistle Blower Policy

Pursuant to the provisions of Companies Act, 2013 and SEBI Listing Regulations, 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 i.e. www.hplindia.com.

17. Risk Management

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.

18. 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 which is available on the website of the company i.e. www.hplindia.com.

19. 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 Corporate Social Responsibility committee comprises of Mrs. Madhu Bala Nath as Chairperson, Mr. Lalit Seth, Mr. Rishi Seth and Mr. Jainul Haque as members of the committee.

The company discharges its CSR obligations directly and by making contribution through Seth Inder Narain Foundation, Trust and SUTRA, an implementing agency appointed by the Company towards supporting projects in Eradicating hunger, poverty and malnutrition promoting health care; promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. The company also extends its objective towards CSR in supporting the rural development projects.

The Board of Directors have approved the CSR Policy of the Company as formulated and recommended by the CSR Committee which is available on the website of the Company i.e. www.hplindia.com. A report on Corporate Social Responsibility is annexed as **Annexure III.**

20. Particulars of Contracts or Arrangements with related Parties

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, 2019 were in the ordinary course of business and on arm's length basis. As per the provisions of Section 188 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 approval of the Audit Committee for all the related party transactions. Further, there are no material related party transactions with promoters, 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 synergies with the Company's operations.

The Company has framed a Policy on Related Party Transactions in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the amended provisions of the Companies Act, 2013. 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 i.e. www.hplindia.com and the Details of Related Party Transactions are annexed as per Form AOC-2 in **Annexure IV.**

21. Auditors

A) Statutory Auditors

As per the provisions of Section 139(1) of the Act, the Company has appointed M/s. Kharabanda Associates, Chartered Accountants (Regn. No. 003456N) as Statutory Auditors for a period of 5 (Five) years in the Annual General Meeting of the company held on 28th September 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

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

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 and M/s Bikram Jain & Associates, Cost Accountants, (Firm Registration No. 101610) has been re-appointed as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the financial year 2019-20.

The company has received his consent and certificate under Section 139, 141 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 to this effect.

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 27th Annual General Meeting.

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 has been re-appointed as Secretarial Auditors of the Company to conduct Secretarial Audit of the Company for the financial year 2019-20.

Secretarial Audit Report

The Secretarial Audit Report for the FY 2018-19 as submitted by Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure V.**

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.

22. Particulars of Loans, Guarantees or investments

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.

23. 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 VI** to this report.

24. Research and Development:

HPL with its passion for innovation has under taken many initiatives to accelerate the business growth curve in the upward direction. Company has been regularly investing in infrastructure and its R&D centers to make word class products, meeting stringent Quality standards. All the R&D labs in various units have been focusing on design and development of innovative products in the field of Switchgear, Lighting and Metering etc. to meet the growing technological challenges of the times.

The R&D team has been continuously working on improving the reliability and life cycle of HPL products. Most of the products are "CE" marked. All the plants are RoHS complaint to meet the demands of the new era of business globally.

Timely delivery of new products under development is of primary focus of R&D department. It works on a cohesive approach to narrow the gap between Design and Manufacturing by investing money in 3D model prototypes before commencing tool manufacturing. This saves a lot of time, energy and money while developing new products thereby increasing the efficiency of the company.

Company is continuously working on many more smart engineering electrical products to meet the future demand.

25. 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 VII** to this report.

26. 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. Kharabanda Associates, Statutory Auditors of the Company confirming compliance of conditions of corporate governance is also annexed to the Corporate Governance Report.

27. 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 alongwith 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 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 this Act 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.

28. 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 all employees of 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 complaints pertaining to sexual harassment.

29. 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.

30. 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.

31. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under report, as stipulated under the Companies Act, 2013 and 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.

32. 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.

33. Disclosure of commission paid to managing or whole time directors

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

34. 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 Managing Director
DIN: 00312007

Date: 12th August, 2019
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	31/03/2019
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	37.76
7.	Total assets	127.71
8.	Total Liabilities	74.51
9.	Investments	Nil
10.	Turnover	105.19
11.	Profit before taxation	9.44
12.	Provision for taxation	3.01
13.	Profit after taxation	6.43
14.	Proposed Dividend	Nil
15.	% of shareholding	97.15%

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	31.03.2019	31.03.2019
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.)	13,310,182	20,120,223
	Extend of Holding%		
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.)	(4,362,321)	(5,326,145)
7.	Profit/Loss for the year(Rs.)		
	i. Considered in Consolidation	(22,967)	1,172,581
	ii. Not Considered in Consolidation	N.A.	N.A.

For **Kharabanda Associates**
Chartered Accountants
Firm Registration No. 003456N
Sd/-
Sunil Kharabanda
Proprietor
Membership No. 082402

For and on Behalf of the Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN: 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN: 00203405

Sd/-
Vivek Kumar
Company Secretary
M. No. A18491

Sd/-
Sudhir Barik
Chief Financial Officer
M. No. 13243

Date : 12th August, 2019
Place : Noida

ANNEXURE-II

FORM NO. MGT-9

Extract of Annual Return

as on the Financial Year ended 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN	L74899DL1992PLC048945
ii)	Registration Date	28-05-1992
iii)	Name of the Company	HPL Electric & Power Limited
iv)	Category of the Company	Public Limited Company
v)	Sub-Category of the Company	Limited By Shares
vi)	Address of the Registered office and contact details	1/20 Asaf Ali Road, New Delhi-110002, Phone No-011-23234411 Fax: 011-23232639 Email: hpl@hplindia.com Website: www.hplindia.com
vii)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Karvy Fintech Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District - Nanakramguda, Hyderabad- 500 032,Telangana, India Toll Free no.: 1800-345-4001 / Fax: (+91 40) 23001135 E-mail: einward.ris@karvy.com Website: www.karisma.karvy.com

II. Principal business activities of the company

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the company
1	Metering	2651	50.25
2	Switchgear	2710	20.59
3	Lighting & Electronics	2740	19.20
4	Cables	2732	9.96

**** As per NIC Code 2008.***

III. Particulars of holding, subsidiary and associate companies:

S. No	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% age of shares held	Applicable section
1.	Himachal Energy Private Limited	U31909HP2003PTC027983	Subsidiary	97.15	Section 2(87) of Companies Act, 2013
2.	HPL Electric & Power Private Limited - Shriji Designs (JV)	NA	Joint Venture	Nil#	NA
3.	HPL Electric & Power Private Limited - Shriji Designs – Trimurthi Hitech Company Private Limited (JV)	NA	Joint Venture	Nil#	NA

The Company has Two Joint Ventures in form of Association of Person (AOP) under the names of Joint Ventures of M/s HPL Electric & Power Private Limited – Shriji Designs (JV) & HPL Electric & Power Private Limited – Shriji Designs – Trimurthi Hitech Company Private Limited (JV) w.e.f. October 30, 2010 & June 22, 2011 which were subsequently amended on September 24, 2011. Your company is the Lead Partner in both the Joint Ventures and having entitlement of 97% & 94% of profits earned respectively.

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

a) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	14299676	0	14299676	22.24	14406176	0	14406176	22.40	0.16
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	32092023	0	32092023	49.91	32092023	0	32092023	49.91	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**46391699**	**0**	**46391699**	**72.15**	**46498199**	**0**	**46498199**	**72.31**	**0.16**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**46391699**	**0**	**46391699**	**72.15**	**46498199**	**0**	**46498199**	**72.31**	**0.16**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	3985136	0	3985136	6.20	3877376	0	3877376	6.03	-0.17
(b)	Financial Institutions /Banks	50269	0	50269	0.08	40798	0	40798	0.06	-0.02
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	23726	0	23726	0.04	22251	0	22251	0.03	-0.01
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others									
	ALTERNATIVE INVESTMENT FUND	200000	0	200000	0.31	491191	0	491191	0.76	0.45
	Sub-Total B(1) :	**4259131**	**0**	**4259131**	**6.63**	**4431616**	**0**	**4431616**	**6.89**	**0.26**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	1935556	0	1935556	3.01	1359595	0	1359595	2.11	-0.90
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	7366197	60	7366257	11.46	8174092	1	8174093	12.71	1.25
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	2156819	0	2156819	3.35	1614479	0	1614479	2.51	-0.84

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(c)	Others									
	CLEARING MEMBERS	85308	0	85308	0.13	96973	0	96973	0.15	0.02
	DIRECTORS	37500	0	37500	0.06	37500	0	37500	0.06	0.00
	NBFC	28139	0	28139	0.04	55717	0	55717	0.09	0.05
	NON RESIDENT INDIANS	1548350	0	1548350	2.41	1541584	0	1541584	2.40	-0.01
	NRI NON-REPATRIATION	491727	0	491727	0.76	490230	0	490230	0.76	0.00
	TRUSTS	0	0	0	0.00	500	0	500	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	13649596	60	13649656	21.22	13370670	1	13370671	20.79	0.43
	Total B=B(1)+B(2) :	17908727	60	17908787	27.85	17802286	1	17802287	27.69	0.17
	Total (A+B) :	64300426	60	64300486	100.00	64300485	1	64300486	100.00	
(C)	Shares held by custodians, against which	0	0	0	0	0	0	0	0	0.00
	Depository Receipts have been issued	0	0	0	0	0	0	0	0	0.00
(1)	Promoter and Promoter Group	0	0	0	0	0	0	0	0	00.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**64300426**	**60**	**64300486**	**100.00**	**64300485**	**1**	**64300486**	**100.00**	

b) Shareholding of Promoter:

S. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Lalit Seth	7703098	11.98	0	7809598	12.15	0	0.17
2	Mrs. Praveen Seth	2133098	3.32	0	2133098	3.32	0	0
3	Mr. Rishi Seth	2231740	3.47	0	2231740	3.47	0	0
4	Mr. Gautam Seth	2231740	3.47	0	2231740	3.47	0	0
5	HPL India Limited*	17573238	27.33	0	17573238	27.33	0	0
6	Jesons Impex Private Limited	24000	0.04	0	24000	0.04	0	0
7	Havell's Private Limited	2842655	4.42	0	2842655	4.42	0	0
8	Havells Electronics Private Limited	11652130	18.12	0	11652130	18.12	0	0
	Total	**46391699**	**72.15**	**0**	**46498199**	**72.31**	**0**	**0.17**

* Pursuant to the Scheme of Amalgamation duly approved by the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench via its Order dated 3rd July, 2018, LK HPL private Limited, Amerex India Private Limited and HPL Projects Portfolio Private Limited (Transferor Companies) have got merged with HPL India Limited (Transferee Company). The Scheme became effective from the appointed date i.e. 1st April, 2016.

c) Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the Year as on 01.04.2018		Cumulative shareholding during the year (01.04.2018- 31.03.2019)	
	Promoter	**No. of Shares**	**% of the total shares of the Company**	**No. of Shares**	**% of the total shares of the Company**
	At the beginning of the year	46391699	72.15	46391699	72.15
	Date wise Increase/ Decrease in promoters Share holding during the year Specifying the reasons for increase/ decrease (allotment/ transfer/ bonus/ sweat etc.)			There is a change in the holding of Mr. Lalit Seth, promoter which is as per Note – I below	
	At the end of the year	46498199	72.31	46498199	72.31

NOTE-I Details of Increase and Decrease in Promoters Shareholding

Sl. No	Name	Shareholding		Date of debit/credit	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2018- 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company				No. of Shares	% of the total shares of the Company
1.	Mr. Lalit Seth	7703098	11.98	01.04.2018			7703098	11.98
				16.11.2018	56500	Market purchase	7759598	12.07
				07.12.2018	10000	Market purchase	7769598	12.08
				01.03.2019	40000	Market purchase	7809598	12.15
		7809598	12.15	31.03.2019			7809598	12.15

d) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Slno	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES	3877376	6.03	01/04/2018			3877376	6.03
				31/03/2019			3877376	6.03
2	AJAY UPADHYAYA	836000	1.30	01/04/2018			836000	1.30
				25/05/2018	-90000	Sale	746000	1.16
				20/07/2018	-120985	Sale	625015	0.97
				27/07/2018	-208039	Sale	416976	0.65
				03/08/2018	-16976	Sale	400000	0.62
				24/08/2018	-35404	Sale	364596	0.57
				31/08/2018	-21096	Sale	343500	0.53
				14/09/2018	-18639	Sale	324861	0.51
				21/09/2018	-46861	Sale	278000	0.43
				28/09/2018	-18245	Sale	259755	0.40
				05/10/2018	-17274	Sale	242481	0.38
				12/10/2018	-8431	Sale	234050	0.36
				02/11/2018	-42211	Sale	191839	0.30
				09/11/2018	-7073	Sale	184766	0.29
				16/11/2018	234	Purchase	185000	0.29
				30/11/2018	-4823	Sale	180177	0.28
				07/12/2018	-12480	Sale	167697	0.26
				14/12/2018	-14672	Sale	153025	0.24
				21/12/2018	-32299	Sale	120726	0.19
				28/12/2018	-33000	Sale	87726	0.14
				04/01/2019	-11200	Sale	76526	0.12
				11/01/2019	-20234	Sale	56292	0.09
				15/02/2019	-17614	Sale	38678	0.06
				22/02/2019	-38678	Sale	0	0.00
				31/03/2019			0	0.00

Slno	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
3	ELSAMMA JOSEPH	344000	0.53	01/04/2018			344000	0.53
				31/03/2019			344000	0.53
4	ABHINANDAN LEASING AND FINANCE PVT LTD	300000	0.47	01/04/2018			300000	0.47
				06/04/2018	-40000	Sale	260000	0.40
				20/04/2018	-134623	Sale	125377	0.19
				27/04/2018	-125377	Sale	0	0.00
				31/03/2019			0	0.00
5	TRANSPARENT SHARES & SECURITIES PVT LTD	290166	0.45	01/04/2018			290166	0.45
				06/04/2018	5926	Purchase	296092	0.46
				06/04/2018	-51192	Sale	244900	0.38
				13/04/2018	-30935	Sale	213965	0.33
				04/05/2018	-200	Sale	213765	0.33
				11/05/2018	200	Purchase	213965	0.33
				11/05/2018	-50217	Sale	163748	0.25
				18/05/2018	-200	Sale	163548	0.25
				25/05/2018	-22561	Sale	140987	0.22
				01/06/2018	1147	Purchase	142134	0.22
				01/06/2018	-115778	Sale	26356	0.04
				08/06/2018	-4782	Sale	21574	0.03
				15/06/2018	-1869	Sale	19705	0.03
				22/06/2018	-1000	Sale	18705	0.03
				29/06/2018	-8115	Sale	10590	0.02
				06/07/2018	-1500	Sale	9090	0.01
				10/08/2018	-100	Sale	8990	0.01
				31/08/2018	-100	Sale	8890	0.01
				28/09/2018	-2000	Sale	6890	0.01
				05/10/2018	-1000	Sale	5890	0.01
				12/10/2018	-2350	Sale	3540	0.01
				23/11/2018	-40	Sale	3500	0.01
				18/01/2019	-1000	Sale	2500	0.00
				08/03/2019	-200	Sale	2300	0.00
				29/03/2019	-1000	Sale	1300	0.00
				31/03/2019			1300	0.00
6	BHARAT TAPARIA	258000	0.40	01/04/2018			258000	0.40
				31/03/2019			258000	0.40

Slno	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
7	MY MONEY SECURITIES LTD	251000	0.39	01/04/2018			251000	0.39
				06/04/2018	39056	Purchase	290056	0.45
				13/04/2018	13500	Purchase	303556	0.47
				20/04/2018	12016	Purchase	315572	0.49
				27/04/2018	-15000	Sale	300572	0.47
				18/05/2018	5000	Purchase	305572	0.48
				18/05/2018	-10000	Sale	295572	0.46
				25/05/2018	1000	Purchase	296572	0.46
				08/06/2018	5000	Purchase	301572	0.47
				29/06/2018	5828	Purchase	307400	0.48
				13/07/2018	-5000	Sale	302400	0.47
				20/07/2018	4000	Purchase	306400	0.48
				27/07/2018	3500	Purchase	309900	0.48
				03/08/2018	37500	Purchase	347400	0.54
				10/08/2018	-500	Sale	346900	0.54
				24/08/2018	5000	Purchase	351900	0.55
				31/08/2018	-34000	Sale	317900	0.49
				29/09/2018	-16500	Sale	301400	0.47
				09/11/2018	25000	Purchase	326400	0.51
				16/11/2018	-25000	Sale	301400	0.47
				23/11/2018	11836	Purchase	313236	0.49
				30/11/2018	-1836	Sale	311400	0.48
				07/12/2018	-9900	Sale	301500	0.47
				01/02/2019	216	Purchase	301716	0.47
				08/02/2019	375	Purchase	302091	0.47
				01/03/2019	-8691	Sale	293400	0.46
				08/03/2019	10000	Purchase	303400	0.47
				15/03/2019	12000	Purchase	315400	0.49
				15/03/2019	-10000	Sale	305400	0.47
				22/03/2019	8000	Purchase	313400	0.49
				29/03/2019	30070	Purchase	343470	0.53
				31/03/2019			343470	0.53
8	GANESH SRINIVASAN	206750	0.32	01/04/2018			206750	0.32
				01/06/2018	20250	Purchase	227000	0.35
				27/07/2018	72000	Purchase	299000	0.47
				31/03/2019			299000	0.47
9	EQ INDIA FUND	200000	0.31	01/04/2018			200000	0.31
				01/06/2018	140000	Purchase	340000	0.53
				10/08/2018	68000	Purchase	408000	0.63
				17/08/2018	25000	Purchase	433000	0.67
				31/03/2019			433000	0.67
10	NITIN TANDON	159000	0.25	01/04/2018			159000	0.25
				31/03/2019			159000	0.25

e) Shareholding of Directors and Key Managerial Personnel:

S.No.	Name of the Directors and KMPs	Shareholding No. of Shares April 1, 2018 No. of Shares	April 1, 2018 % of Shares	March 31, 2019 No. of Shares	March 31, 2019 % of Shares	Date of change*	Increase/ (Decrease) in shareholding*	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) No. of Shares	Cumulative % of total Shares of the Company
1	Mr. Lalit Seth	7703098	11.98	7809598	12.15	16.11.2018	56500	Market purchase	7809598	12.15
						07.12.2018	10000	Market purchase		
						01.03.2019	40000	Market purchase		
2	Mr. Rishi Seth	2231740	3.47	2231740	3.47	-	-	-	2231740	3.47
3	Mr. Gautam Seth	2231740	3.47	2231740	3.47	-	-	-	2231740	3.47
4	Mr Chandra Prakash Jain	37500	0.06	37500	0.06	-	-	-	37500	0.06
5.	Mr. Vinod Ratan Gupta*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Jatinder Singh Sabharwal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7.	Mrs. Madhu Bala Nath	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Tarun Sehgal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9.	Mr. Jainul Haque	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10.	Mr. Hargovind Sachdev	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
11.	Mr. Vivek Kumar	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
12.	Mr. Sudhir Barik	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Mr. Vinod Ratan Gupta ceased to be the Whole-time Director/Director of the Company w.e.f. 21st January, 2019.

V) Indebtedness of the company including interest outstanding/ accrued but not due for payment

(Amt. in Rs.)

Sl. No	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A)	**Indebtedness at the beginning of the financial year (as on 01.04.2018)**				
	i) Principal Amount	3,376,066,176	1,000,000,000	-	4,376,066,176
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	**3,376,066,176**	**1,000,000,000**	**-**	**4,376,066,176**
B)	**Change in Indebtedness during the financial year (2018-19)**				
	Addition (B1)	1,440,008,611	-	-	1,440,008,611
	Reduction (B2)	-	(1,000,000,000)	-	(1,000,000,000)
	Net Change (B1-B2)	**1,440,008,611**	(1,000,000,000)	**-**	**440,008,611**
C)	**Indebtedness at the end of the financial year (as on 31.03.2019)**				
	i) Principal Amount	4,816,074,787	-		4,816,074,787
	ii) Interest due but not paid	-	-		-
	iii) Interest accrued but not due	-	-		-
	Total (i+ii+iii)	**4,816,074,787**	**-**	**-**	**4,816,074,787**

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total
		Mr. Lalit Seth	Mr. Rishi Seth	Mr. Gautam Seth	Mr. Chandra Prakash Jain	Mr. Vinod Ratan Gupta*	
		Chairman and Managing Director	Jt. Managing Director	Jt. Managing Director	Whole-time Director	Whole-time Director	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	375.07	156.32	156.32	151.27	103.54	942.52
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	0.40	0.40	0.37	1.97
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
4	- as % of profit	-	-	-	-	-	-
	- others, specify…	-	-	-	-	-	-
5	Others	-	-	-	-	-	-
	Total (A)	**375.47**	**156.72**	**156.72**	**151.67**	**103.91**	**944.49**

*Mr. Vinod Ratan Gupta ceased to be the Whole-time Director/Director of the Company w.e.f. 21st January, 2019.

B. Remuneration to other Directors:

(Rs. In Lakhs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Tarun Sehgal	Mr. Jatinder Singh Sabharwal	Mrs.Madhu Bala Nath	Mr. Jainul Haque	Mr. Hargovind Sachdev*	
1	**Independent Directors**						
	Fee for attending board committee meetings	2.90	4.30	3.70	3.10	3.70	17.70
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2.90	4.30	3.70	3.10	3.70	17.70
2	**Other Non-Executive Directors**						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2.90	4.30	3.70	3.10	3.70	17.70
	Total Managerial Remuneration (A + B)						**962.19**

* Mr. Hargovind Sachdev has been appointed as the Independent Director of the Company wef 13th April, 2018.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Sudhir Barik	Mr. Vivek Kumar	
		CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.24	16.43	46.67
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others	-	-	-
	Total	**30.24**	**16.43**	**46.67**

VII. Penalties/ punishment/ compounding of offences: Nil [*No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.*]

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. Directors					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. Other officers in default					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

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

Lalit Seth
Chairman and Managing Director
DIN: 00312007

Date: 12th August, 2019
Place: Noida

ANNEXURE-III

Details of CSR Activities shall be disclosed in the Board's report as per Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

   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 by making contribution through Seth Inder Narain Foundation, Trust towards supporting projects in eradicating hunger, poverty etc and SUTRA, an implemementing agency appointed by the Company towards education of children and Gender equality.

2. **The composition of the CSR Committee**

   The present composition of the CSR Committee is as below:

S. No.	Name of the Director	Designation
1	Mrs. Madhu Bala Nath	Chairperson
2	Mr. Lalit Seth	Member
3	Mr. Rishi Seth	Member
4	Mr. Jainul Haque	Member

3. **Average Net profit of the company for the last three financial years:** Rs. 32.31 crores

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

   Rs. 64.63 lakhs

5. **Details of CSR spent during the financial year:**

Total amount spent for the financial year	Rs. 13.32 Lakhs
Amount unspent	Rs. 51.31 Lakhs
Manner in which the amount spent during the financial year	As Annexed

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report :**

   The company is in the process of getting other appropriate projects for CSR spending.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company**

   We hereby declare that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Lalit Seth
Chairman and
Managing Director
DIN: 00312007

Madhu Bala Nath
Chairperson
CSR Committee
DIN: 01320110

Date: 12th August, 2019

Place: Noida

Annexure

c) Manner in which the amount spent during the financial year 2018-19

Rs. in Lakhs

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State & District where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: 1) Direct Expenditure 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Eradication of hunger and providing relief to the Poor	Eradication of hunger and providing relief to the Poor	Bengaluru	24.63	6	6	Through Seth Inder Narain Foundation, Trust
2.	Education of Children and Gender equality	Education of Children and Gender equality	Himachal Pradesh	36	4	4	SUTRA, an Implementing agency
3.	Rural Development	Rural Development	Hyderabad	4	3.32	3.32	Direct

ANNEXURE-IV

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 arms length transaction under third proviso thereto

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

(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:

There were no material* contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019:

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

(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
For HPL Electric & Power Limited

Date: 12th August, 2019
Place: Noida

Mr. Lalit Seth
Chairman and Managing Director
DIN: 00312007

ANNEXURE-V

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 2019

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"). 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, 2019 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 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

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, 1992;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   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;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

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

vi. Other laws as are applicable to the Company as per representations made by the Company

   a) Central Excise Act

   b) Sales Tax Act / Vat Act

   c) GST Act

   d) The Finance Act

   e) Income Tax Act

   f) Labour Laws

   g) 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 with respect to Board and General Meeting.

(ii) The Listing Agreement entered into by the Company with

BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

(iii) The **Companies (Corporate Social Responsibility) Rules, 2014 along with Corporate** Social Responsibility Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;

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 are 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Date: 12th August, 2019
Place: Noida

CS Vinod Kumar Gupta
FCS: 3648; CP: 2148

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

Date: 12th August, 2019
Place: Noida

CS Vinod Kumar Gupta
FCS: 3648 CP: 2148

ANNEXURE-VI

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 Managing Director - 83:1 2. Mr. Rishi Seth, Jt. Managing Director- 35:1 3. Mr. Gautam Seth, Jt. Managing Director- 35:1 4. Mr. Chandra Prakash Jain, Whole-time Director- 34:1
(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 Managing Director - NIL 2. Mr. Rishi Seth, Jt. Managing Director- NIL 3. Mr. Gautam Seth, Jt. Managing Director- NIL 4. Mr. Chandra Prakash Jain, Whole-time Director - 6.6% 5. Mr. Sudhir Barik, CFO- NIL 6. Mr. Vivek Kumar, CS – 6.2%
(iii)	Percentage increase in the median remuneration of employees in the financial year	9.23%
(iv)	Number of permanent employees on the rolls of company	1336 Employees
(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- 1.65% Average increase in remuneration of employees other than the Managerial Personnel – 6.55%
(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, 2019 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 Managing Director 3,75,46,600 Undergraduate 49, 28.05.1992, 73; Mr. Rishi Seth Joint Managing Director 1,56,71,600 B.com, MBA 24 14.04.2000 48; Mr. Gautam Seth Joint Managing Director 1,56,71,600 B.com, CA 22 15.02.2008 47; Mr. Chandra Prakash Jain Whole-time Director, 1,51,66,942 Bachelor of Engineering, PG in Statistical Quality Control, MBA, 28 18.05.2009 58, Mr. G N Sharma Chief Vice President 82,02,215 Diploma in Mechanical Engineering 23 01.04.2011 58 Havells India Limited;

Mr. C.R. Kundu Sr. VP Switchgear 73,36,954 Bachelor of Engineering (Electrical) 37 01.08.2017 61 BCH Electric Ltd; Mr. Sundeep Tandon VP Business Development 44,07,334 BE in Electricals, PGDBM, MBA 31 03.12.2007 53 English Electrical Company of India Ltd, GRC ASTON; Mr. Predman Krishan Bhat VP (Sales & Marketing) 36,79,250 Diploma in mechanical engineering 27 18.05.2017 51 C&S Electric Ltd.; Mr. Niraj Tiwari VP (Trade Lighting & Wire Division) 35,64,675 PG Diploma in Business Development 22 03.03.2014 44 Philip India Ltd.

Persons employed for part of the year ended 31st March, 2019 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

Mr. Vinod Ratan Gupta Whole Time Director 1,03,90,456 CA 36 21.01.2016 21.01.2019 60

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 Managing Director as per Section 2(77) of the Companies Act, 2013.

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

Lalit Seth
Chairman and Managing Director
DIN: 00312007

Date : 12th August, 2019
Place: Noida

ANNEXURE-VII

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 group has been always focused for Energy conservation thereby reducing the effect of global warming. It has been our endeavor to adopt and implement new 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. 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 plants. 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 last year and has started implementation of use of solar energy for all the plants in different stages. 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.

b. 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.

c. Conventional Light fittings have been replaced with LED Light fixtures at factory and office premises leading to savings in energy consumption.

d. All CFL lamps have been replaced with energy efficient LED lamps.

e. All T5 lamps have been replaced with LED tube light fittings in all the assembly sections & offices to conserve energy.

f. More than 80% of conventional light fittings have been replaced with LED lighting fitting in all the plants. Stage wise full plants will be converted to LED lighting.

Replacement of old equipment with new energy efficient equipment:

❖ Energy efficient AC VFD motors & drives are in use.

❖ All HPSV lights have been replaced with 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 in use.

❖ BEE star rated Air conditioning units are being in use.

❖ All molding machines are connected with UPS to maintain continuous running leading to increase in productivity.

❖ Insulating heaters for Injection molding machines are being used to conserve energy.

❖ Integral heating mechanism for Thermoset Moldings tools is in use to create better heating and improve product quality.

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

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. rules.

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.

Impact:

All the above energy conservation methods have resulted in

- ✓ Optimizing the energy consumption
- ✓ Savings on cost of production
- ✓ Reduction in carbon emission
- ✓ Reduction in processing time
- ✓ 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 advance materials to ensure quality of products for customers.

Efforts made toward the Technology absorption

Company is continuously spending money In R&D department to meet the above challenges. The company has two R&D centres which are approved by Department of science technological & Industrial Research, Govt. of India. As a process of technological development, adoption & absorption to develop products, process & up gradation of above. The department works on above parameters; once the product or process is developed the prototypes are built, followed by pilot development batch which undergoes for complete testing before proceeding for commercial production or implementation. HPL continuously works towards following activities for achieving the short term & 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 for enhancing the quality of products, safety to persons concerned & environment.
- Special focus on development of in-house products which are compatible to new technology specially interface with computers.

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

- To keep a competitive edge in market place
- To keep a continuous check on costs & quality. this leads to customer satisfaction.
- To enhance the brand image HPL to the next level.
- Continuous Introduction of New products.

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 towards Research & Development

C. Foreign exchange earnings and Outgo

(Rupees in Lakhs)

	2018-19
Total Foreign Exchange Earned	2317.96
Total Foreign Exchange used	25655.21

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

Mr. Lalit Seth
Chairman and Managing Director
DIN: 00312007

Date: 12th August, 2019
Place: Noida

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE 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 legal compulsion.

Your 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.

Your Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), 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 your Company consists of eminent persons with wide knowledge and experience in technical, commercial, finance, business administration and other related fields, who not only bring wide range of expertise, but also impart desired level of independence to the Board.

2.1 Composition of the Board of Directors

The Board of Directors of HPL Electric & Power Limited (the 'Company') oversees the conduct of business activities by management and serves to ensure the implementation of management policies in an effective and efficient manner.

As on 31st March, 2019, the Board of Directors comprised of nine directors including one woman director, of which four (i.e., 45%) are executive directors and five (i.e. 55%) are independent directors. The company had appointed Mr. Hargovind Sachdev as an Independent Director w.e.f 13th April, 2018 as per the provisions of the Companies Act, 2013 (Act) and SEBI Listing Regulations.

Independent Directors have confirmed that they meet the criteria of Independence as mentioned under Regulation 16(1)(b) of the SEBI listing Regulations and Section 149(6) of the Act.

None of the Directors on the board hold 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 2018-19, Five Board Meetings were held on 21st May, 2018, 2nd August, 2018, 29th October, 2018, 19th January, 2019 and 13th February, 2019. The maximum interval between the two Board Meetings did not exceed 120 days as prescribed under the Act and Regulation 17 (2) of the SEBI Listing Regulations.

As on 31st March, 2019, the composition of the Board of Directors alongwith the attendance of each Director at the Board Meetings and the last Annual General Meeting and their directorships and Committee positions is as follows:

Name of the Director	Category	No. of Board Meetings held during the Financial Year 2018-19	No. of Board Meetings Attended during the Financial Year 2018-19	Attendance at the last AGM held on 27th September, 2018	No. of Directorship in other public Limited Companies (As on 31st March, 2019)	Names of the listed entities where the person is a director and the category of directorship	No. of Committee positions held in other Public Companies (As on 31st March, 2019)	
							Chairman	Member
Mr. Lalit Seth Chairman and Managing Director DIN: 00312007	Non-Independent/ Executive	5	4	Yes	3	NIL	None	None
Mr. Rishi Seth Joint Managing Director DIN: 00203469	Non Independent/ Executive	5	4	Yes	3	NIL	None	None
Mr. Gautam Seth Joint Managing Director DIN: 00203405	Non-Independent/ Executive	5	5	Yes	3	NIL	1	1
Mr. Chandra Prakash Jain DIN: 00311643	Non Independent/ Executive	5	4	Yes	None	NIL	None	None
Mr. Vinod Ratan Gupta DIN: 07401017*	Non Independent/ Executive	5	2	Yes	None	NIL	None	None
Mr. Jatinder Singh Sabharwal DIN: 07364399	Independent/ Non Executive	5	5	No	1	NIL	None	1
Mrs. Madhu Bala Nath DIN: 01320110	Independent/ Non Executive	5	5	No	None	NIL	None	None
Mr. Tarun Sehgal DIN: 07384592	Independent/ Non Executive	5	4	No	None	NIL	None	None
Mr. Jainul Haque DIN: 00004762	Independent/ Non Executive	5	5	No	None	NIL	None	None
Mr. Hargovind Sachdev** DIN:08105319	Independent/ Non Executive	5	5	Yes	None	NIL	None	None

* Mr. Vinod Kumar Gupta ceased to be Whole-time Director /Director on account of attaining the age of superannuation w.e.f 21st January, 2019.

** Mr. Hargovind Sachdev has been appointed as an Independent Director of the Company for a period of consecutive 2 years w.e.f. 13th April, 2018.

NOTES:

1. 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 includes only Audit Committee and Stakeholders' Relationship Committee.
2. None of the Directors of the Company is related inter-se, except Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam 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.
3. None of the Non- Executive Directors hold any shares in the company. The Company has not issued any convertible instrument.

2.3 Core Skills/ Expertise/Competence of the Board of Directors:

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 following skills/expertise/competencies have been identified by the Board in the context of business of the company and are currently available with the Board:

a) Finance and Audit

b) Sales and Marketing

c) Commercial, Operations

d) Legal, including laws related to corporate governance

e) Domain industry and General management

2.4 INDEPENDENT DIRECTORS

A. Familiarization Programmes

The Independent Directors are provided with necessary documents, information and policies to enable them to familiarise 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 organised 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 www.hplindia.com.

B. Separate Meeting of Independent Directors

In terms of the provisions of Regulation 25 of the SEBI Listing Regulations and Schedule IV of the Act, Independent Directors shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of the management.

In respect of financial year 2018-19, the Independent Directors met separately on 13th February, 2019 without the attendance of Non-independent Directors and members of the management and inter alia reviewed:

- the performance of non-independent directors and the board as a whole.
- the performance of the chairman of the company, taking into account the views of executive Directors and non executive directors.
- Assessment of 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.

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 Act and Regulation 18 of the SEBI Listing Regulations, which comprises of five Directors with three 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 2018-19, four (4) Audit Committee meetings were held on 21st May, 2018, 2nd August, 2018, 29th October, 2018 and 13th February, 2019. The maximum gap between the two meetings did not exceed 120 days as prescribed under Regulation 18 of the SEBI Listing Regulations.

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. Tarun Sehgal	Independent/ Non Executive	Chairman	4	2
2.	Mr. Jatinder Singh Sabharwal	Independent/ Non Executive	Member	4	4
3.	Mr. Gautam Seth	Non Independent/ Executive	Member	4	4
4	Mr. Hargovind Sachdev *	Independent/ Non Executive	Member	4	4
5.	Mr. Rishi Seth#	Non Independent/ Executive	Member	NA	NA
6.	Mrs. Madhu Bala Nath##	Independent/ Non Executive	Member	NA	NA

*Consequent upon the appointment of Mr. Hargovind Sachdev as an Independent Director w.e.f 13th April, 2018, he has been appointed as the member of Audit Committee w.e.f 13th April, 2018.

#Mr. Rishi Seth has been appointed as the member of Audit Committee w.e.f 21st June, 2019 by the board of directors through circulation.

##Mrs. Madhu Bala Nath hold the position as member of Audit Committee from 14th May, 2019 till 21st June, 2019, as approved by the Board of directors through circulation.

B. **Terms of Reference**

The terms of reference of Audit Committee are broadly as under:

I. Oversight of our 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 our 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 our 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 our 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. 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 Act and Regulation 19 of the SEBI Listing Regulations, which comprises of three Non-Executive Independent Directors. The Company Secretary acts as the Secretary to the said Committee.

During the Financial Year 2018-19, Two (2) Nomination & Remuneration Committee Meetings were held on 21st May, 2018 and 19th January, 2019.

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. Jatinder Singh Sabharwal	Independent/ Non Executive	Chairman	2	2
2.	Mr. Tarun Sehgal	Independent/ Non Executive	Member	2	1
3.	Mrs. Madhu Bala Nath	Independent/ Non Executive	Member	2	2

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 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 our 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.

C. Performance evaluation criteria for Independent Directors

As per the provisions of Section 178 of the Act read with Companies (Amendment) Act, 2017 and Regulation 17 of the SEBI Listing Regulations, the Nomination and Remuneration Committee of the Company has approved the manner for effective evaluation of performance of Board, its Committees and individual directors including Independent Directors to be carried out by the Board and review its implementation and compliance.

The said manner provides certain parameters like professional qualification and appropriate experience in various fields like marketing, finance, risk management etc., communicate 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.

D. Remuneration of Directors

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

During the Financial Year 2018-19, the company has not paid any remuneration to the Non Executive Directors except the sitting fees, which is as follows:

(Amount in Rs.)

Sl. No.	Name of the Director	Sitting fees
1	Mr. Jatinder Singh Sabharwal	4,30,000
2	Mrs. Madhu Bala Nath	3,70,000
3	Mr. Tarun Sehgal	2,90,000
4	Mr. Jainul Haque	3,10,000
5	Mr. Hargovind Sachdev	3,70,000

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.

(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 and Articles of Association of the Company, as amended from time to time. No separate Service Contract is entered into by the Company with any Non- Executive Director.

Further, the Nomination & Remuneration Policy is available on the website of the Company at www.hplindia.com.

(iii) Disclosures of Remuneration

a) Details of remuneration paid to Executive Directors during the Financial Year 2018-19 are given below:

(Rupees in Lakhs)

Sr.no.	Name of Director	Salary	Perquisites	Commission	Contribution to P.F.	Total
1.	Mr. Lalit Seth (Chairman and Managing Director)	375.07	0.40	-	-	375.47
2.	Mr. Rishi Seth (Joint Managing Director)	156.32	0.40	-	-	156.72
3.	Mr. Gautam Seth (Joint Managing Director)	156.32	0.40	-	-	156.72
4.	Mr. Chandra Prakash Jain (Whole Time Director)	151.27	0.40	-	-	151.67
5.	Mr. Vinod Ratan Gupta * (Whole Time Director)	103.54	0.37	-	-	103.91

*Mr. Vinod Ratan Gupta ceased to be the Whole-time Director/Director of the Company w.e.f. 21st January, 2019.

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 2018-19, 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 Act and Regulation 20 of the SEBI Listing Regulations. The Committee comprises of three members and the Chairman is a Non-executive Independent Director. The Company Secretary acts as the secretary to the said committee.

During the Financial Year 2018-19, no Stakeholders' Relationship Committee meeting was held.

The composition of the Stakeholders' Relationship Committee is as follows:

Sr. No.	Name	Category	Designation

1.	Mr. Hargovind Sachdev *	Independent/ Non Executive	Chairman
2.	Mr. Rishi Seth	Non Independent/ Executive	Member
3.	Mr. Gautam Seth	Non Independent/ Executive	Member
4.	Mr. Vinod Ratan Gupta**	Non Independent/ Executive	Member

* Consequent upon the appointment of Mr. Hargovind Sachdev as an Independent Director w.e.f 13th April, 2018, he has been appointed as the Chairman of Stakeholders' Relationship Committee w.e.f 13th April, 2018.

** Mr. Vinod Ratan Gupta ceased to be the member of the Stakeholders' Relationship Committee w.e.f 21st January, 2019.

B. Terms of Reference:

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

I. Redressal of all investors' and the security holders grievances of our Company, including complaints in respect of transfer of shares, non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of declared dividends, non-receipt of balance sheets of our Company, non-receipt of annual reports etc. and assisting with quarterly reporting of such complaints;

II. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

III. Overseeing the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor service;

IV. Carrying out any other function under applicable law, including the SEBI Listing Regulations.

C. Shareholder Grievance Redressal

The Company had received 2 Investor complaints during the period under report which were resolved. There was no pending investor complaint as on 31st March, 2019.

3.4 Executive Committee

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

During the financial year 2018-19, Ten (10) Executive Committee meetings were held on 30th April, 2018, 9th July, 2018, 25th August, 2018, 31st August, 2018, 5th October, 2018, 20th November, 2018, 27th December, 2018, 10th January, 2019, 11th January, 2019 and 22nd March, 2019.

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

Sr. No.	Name	Category	Designation	No. of Meeting Held	No. of Meeting Attended
1.	Mr. Lalit Seth	Non Independent/ Executive	Chairman	10	10
2.	Mr. Rishi Seth	Non Independent/ Executive	Member	10	10
3.	Mr. Gautam Seth	Non Independent/ Executive	Member	10	10

B. Terms of Reference:

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

1. To open and operate any bank account like imprest account; EEFC account; current account; CC account; working capital account.
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. Any other matter as may be directed by the board of directors from time to time.

3.5 Corporate Social Responsible (CSR) Committee:

A. Composition and Attendance

The constitution of the CSR Committee is in conformance with the requirements of Section 135 of the Act, which comprises of four Directors including two Independent Directors. The Company Secretary acts as the secretary to the said committee.

During the Financial Year 2018-19, Two (2) CSR Committee Meetings were held on 21st May, 2018 and 6th October, 2018.

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

Sr. No.	Name	Category	Designation	No. of Meeting Held	No. of Meeting Attended
1.	Mrs. Madhu Bala Nath *	Independent/ Non Executive	Chairperson	2	2
2.	Mr. Lalit Seth	Non Independent / Executive	Member	2	2
3.	Mr. Rishi Seth	Non Independent / Executive	Member	2	1
4.	Mr. Jainul Haque	Independent/ Non Executive	Member	2	2

*Mr. Lalit Seth has step down as the Chairman of the Committee and Mrs. Madhubala Nath took the charge as the Chairperson of the CSR Committee w.e.f. 21st May, 2018.

B. Terms of Reference:

The terms of reference of the Corporate Social Responsibility 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	Special Resolution passed
Thursday, 27th September, 2018 at 11:00 AM	Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi- 110036	1. Revision of remuneration payable to Mr. Chandra Prakash Jain (DIN: 00311643), Whole-time Director of the Company. 2. Revision of remuneration payable to, Mr. Vinod Ratan Gupta (DIN: 07401017) Whole-time Director of the Company.
Thursday, 28th September, 2017 at 10:00 AM	Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi- 110036	1. Revision of remuneration payable to Mr. Chandra Prakash Jain (DIN: 00311643), Whole Time Director of the Company. 2. Revision of remuneration payable to, Mr. Vinod Ratan Gupta (DIN: 07401017) Whole Time Director of the Company. 3. Re-appointment of Mr. Jatinder Singh Sabharwal (DIN: 07364399) as an Independent Director of the Company for a second term 4. Re-appointment of Mr. Tarun Sehgal (DIN: 07384592), as an Independent Director of the Company for a second term 5. Re-appointment of Mr. Virender Kumar Bajaj (DIN: 07401106), as an Independent Director of the Company for a second term 6. Re-appointment of Mrs. Madhu Bala Nath (DIN: 01320110), as an Independent Director of the Company for a second term 7. Re-appointment of Mr. Jainul Haque (DIN: 00004762), as an Independent Director of the Company for a second term
Thursday, 30th June, 2016 at 10:00 a.m.	1/21, Asaf Ali Raod, New Delhi 110002	There was no matter that required passing of Special Resolution

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

During the financial year 2018-19, the company completed process of one postal ballot as per provisions of Section 110 of the Companies Act, 2013. The Postal Ballot Notice along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company / respective Depository Participants. In case of physical shareholding, copies of the Postal Ballot Notice along with Postal Ballot Form was sent in physical, by permitted mode along with self-addressed postage pre-paid Business Reply Envelope.

The Company had published a notice in the newspaper in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The Board has appointed Mr. Vinod Kumar Gupta, (FCS No. 3648), Proprietor, M/s. Gupta Vinod & Company, Practicing Company Secretary as Scrutinizer for scrutinizing the remote e-voting and the voting through Ballot paper in a fair and transparent manner and had engaged the services of Karvy Fintech Private Limited as the agency for the purpose of providing remote e-voting facility.

Mr. Vinod Kumar Gupta, Scrutiniser, had submitted his report on the Postal Ballot to the Chairman and the resolutions were passed on 17th March, 2019.

The details of the voting pattern are given below:

Sl. No.	Resolutions passed through Postal Ballot	Votes in favour of the resolution (%)	Votes against the resolution (%)
1.	Re-appointment of Mr. Lalit Seth (DIN: 00312007) as the Chairman and Managing Director of the Company and to fix his remuneration	99.98	0.02
2.	Re-appointment of Mr. Rishi Seth (DIN: 00203469) as the Joint Managing Director of the Company and to fix his remuneration	99.98	0.02
3.	Re-appointment of Mr. Gautam Seth (DIN: 00203405) as the Joint Managing Director of the Company and to fix his remuneration	99.98	0.02
4.	Re-appointment of Mr. Chandra Prakash Jain (DIN: 00311643) as the Whole-time Director of the Company and to fix his remuneration	99.98	0.02

C. 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/ 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 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 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 www.hplindia.com under the 'Investor Relations' section.

6. COMPLIANCE OFFICER

Mr. Vivek Kumar, Company Secretary has been designated as the Compliance Officer of the Company.

Address : 1/20, Asaf Ali Road, New Delhi- 110002
E-mail : hplcs@hplindia.com
Phone : 011 23234411
Fax : 011 23232639

7. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting- Day, Date, Time and Venue

27th Annual General Meeting

Day: Thursday

Date: 26th September, 2019

Time: 11:00AM

Venue: Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi - 110036

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.

Adoption of quarterly financial results for the quarter ending (tentative and subject to change):

June, 2019	1st/2nd week of August, 2019
September, 2019	1st/2nd week of November, 2019
December, 2019	1st/2nd week of February, 2020
March, 2020	3rd/4th week of May, 2020

C. Dividend Payment Date:

The Board of Directors of the Company has recommended a final dividend of Rs. 0.20 per equity share of 10/- each i.e. @ 2% for the Financial Year 2018-19. 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 2019-20, as applicable to the Company has been paid to BSE and NSE.

b. **Payment of Depository Fee**: Annual Custody fee for the year 2019-20 has been paid by the Company to Central Depository Services Limited (CDSL) and will be paid to National Securities Depository Limited (NSDL) on receipt of the invoice. Annual custody fee for the year 2018-19 has been paid by the company to NSDL after receipt of the invoice.

F. Stock Market Data: The High and low of the Share Price of the Company during each month of the Financial Year 2018-19 at NSE and BSE are as under:

Month	National Stock Exchange of India Limited			BSE Limited		
	High	Low	Volume	High	Low	Volume
April 2018	130.8	113.5	1063167	134	113.05	152029
May 2018	125.7	92.8	1736868	125.1	92.05	252775
June 2018	102.25	83.5	642095	102	83.5	150100
July 2018	88	66	1661742	87.9	65.2	193539
August 2018	94	76.15	1362843	93.4	76.5	232708
September 2018	81.25	60.75	627395	80.95	60	98334
October 2018	69.65	52.1	961916	69.6	52.4	161896
November 2018	74.5	62.1	883262	74.9	61.75	225276
December 2018	65.7	55.1	587981	65.7	55.35	1166445
January 2019	64.35	54.6	616500	68.7	54	95916
February 2019	56	44.85	776670	55.65	44	100892
March 2019	61.4	50.95	1245231	62.7	50.5	201595

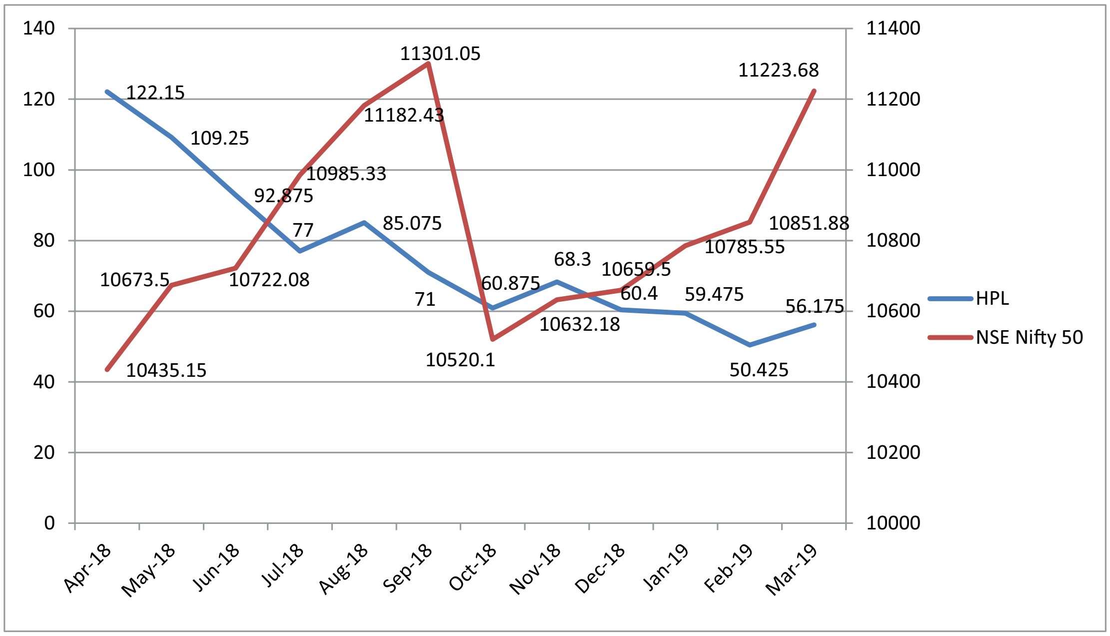
(Source: NSE and BSE website)

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:

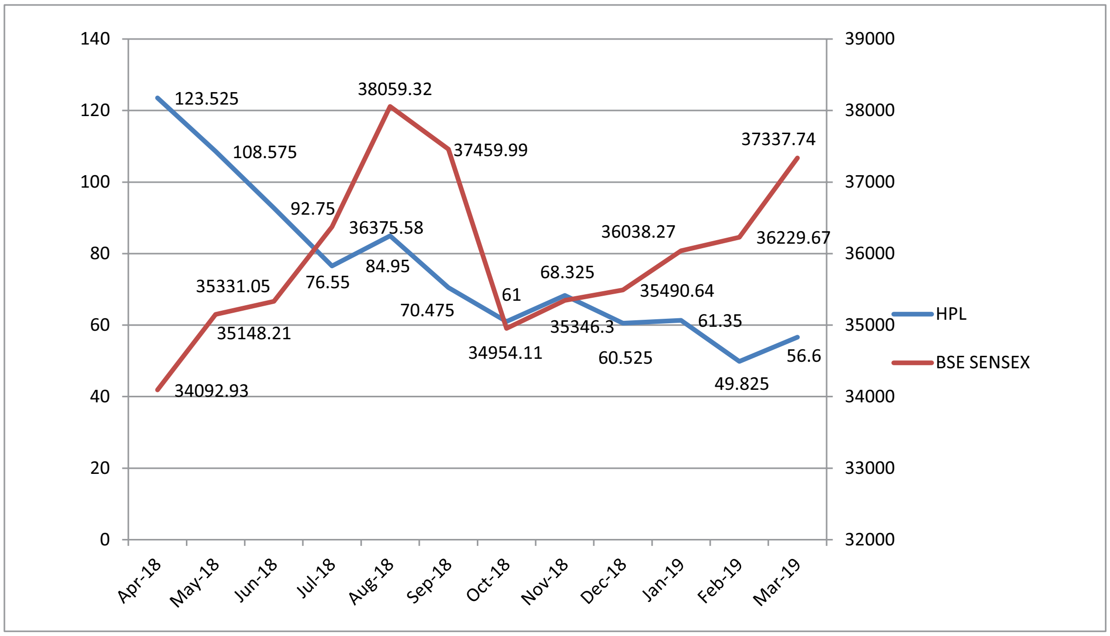
COMPARISON OF HPL PRICE vi-a-vis NIFTY50

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



COMPARISON OF HPL PRICE vi-a-vis BSE SENSEX

(Based on average of High and Low of 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:

The details of the Registrar & Transfer Agent appointed by the Company are as under:

Name & Address:	Karvy Fintech Private Limited Karvy Selenium Tower B, 6th Floor, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Toll Free No. :	1800-345-4001
Fax :	040-23001153
E-mail :	einward.ris@karvy.com
Website:	www.karvy.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.

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

K. Distribution of Shareholding:

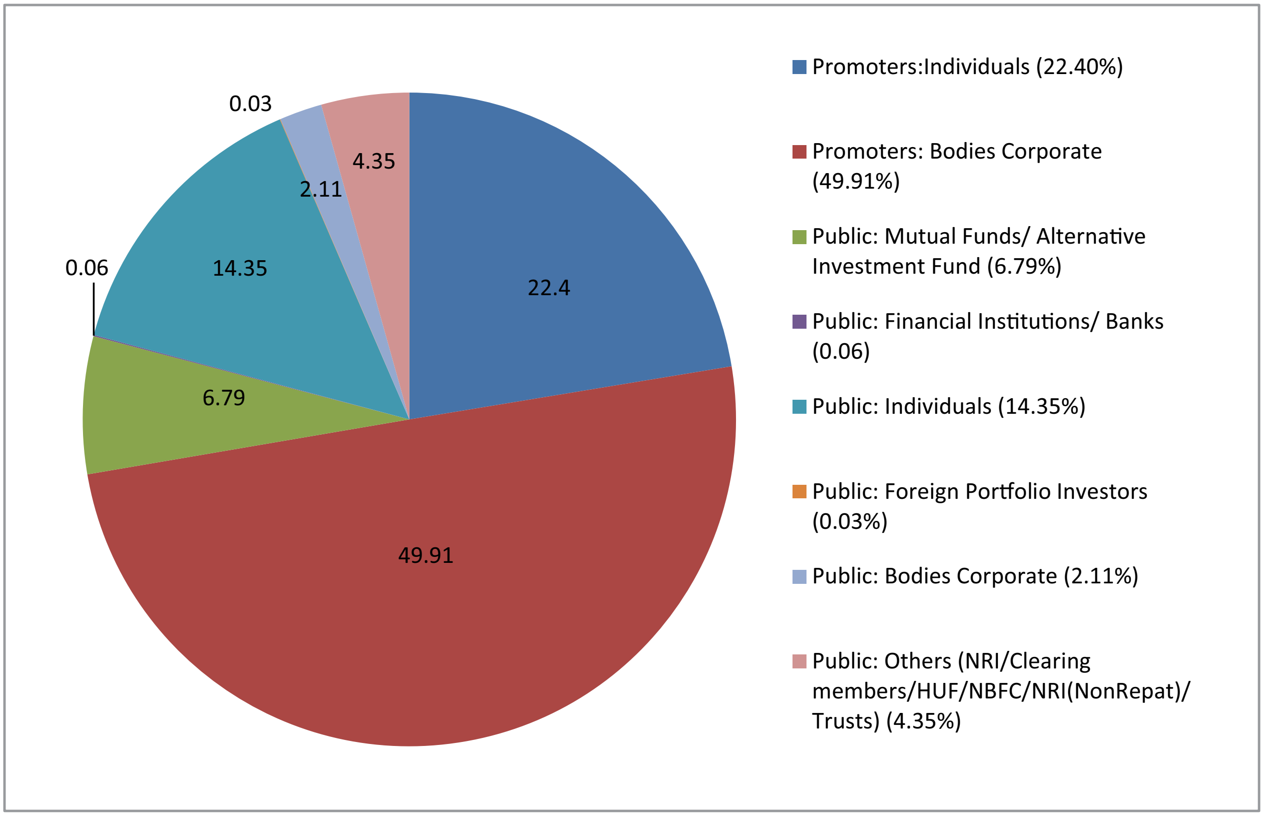
a. Shareholding by size as on 31st March, 2019

(Amount in Rs.)

Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	43896	93.50	40521000.00	6.30
2	5001- 10000	1232	2.62	9817200.00	1.53
3	10001- 20000	856	1.82	13467450.00	2.09
4	20001- 30000	365	0.78	9508180.00	1.48
5	30001- 40000	187	0.40	6649000.00	1.03
6	40001- 50000	116	0.25	5431200.00	0.84
7	50001- 100000	167	0.36	11690830.00	1.82
8	100001& Above	130	0.28	545920000.00	84.90
	Total:	**46949**	**100.00**	**643004860.00**	**100.00**

b. Shareholding by category as on 31st March , 2019

Category of Shareholders	No. of Shareholders	% of Shareholding
Promoters and Promoter Group		
Individuals	14406176	22.40
Bodies Corporate	32092023	49.91
Public		
Mutual Funds/Alternative Investment Fund	4368567	6.79
Foreign Portfolio Investors	22251	0.03
Financial Institutions/ Banks	40798	0.06
Individuals	9226511	14.35
Bodies Corporate	1359595	2.11
Others (NRI/Clearing Members/HUF/NBFC/NRI (Non Repat)/ Trusts)	2784565	4.35
	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, 2019 are as follows:

Form	Number of Shares	Percentage
NSDL	19639172	30.54
CDSL	44661313	69.46
Physical	1	0.00
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, 2019.

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. Pursuant to this policy natural hedge is maintained and 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
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 :	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Toll Free No. :	1800-345-4001
Fax :	040-23001153
E-mail :	einward.ris@karvy.com
Website :	www.karvy.com

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

The company has obtained the following Credit ratings from India Ratings & Research Private Limited in July 2018:

Fund-based working capital limits	IND A-/Stable/IND A1
Non Fund-based working capital limits	IND A-/Stable/IND A1
Commercial paper	IND A1

During the Financial year 2018-19, the India Ratings & Research Private Limited revised the company's Outlook to Negative from Stable while affirming its Long term Issuer Rating at IND A-. The instrument wise rating actions are as follows:

Fund-based working capital limits	IND A-/Negative/IND A1
Non Fund-based working capital limits	IND A-/Negative/IND A1
Commercial paper	IND A1

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

8. 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 2018-19, 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 Act and SEBI Listing Regulations.

Members may refer to the disclosure of transactions with related parties in the Balance Sheet in Note No. 39.

The Board has framed the policy on the materiality of related party transactions and is available on the website of the company i.e. www. hplindia.com.

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:

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 year, 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 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. www. hplindia.com.

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 Regulations. The Company has adopted following non-mandatory/Discretionary requirements of Regulation 27 of the SEBI Listing Regulations:

1. Audit Qualification

   The Company is in the regime of unqualified financial statements.

2. Reporting of Internal Auditor

   The Internal Auditor directly reports to the Audit Committee.

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 http://www.hplindia.com/policies-and-codes.aspx .

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 http://www.hplindia.com/policies-and-codes.aspx.

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

The Company is not importing commodity and hence commodity price risk & Commodity hedging activities is 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) The Company has received a 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.

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 had accepted all the recommendations of its Committees which were mandatorily required in the financial year ended 31st March, 2019.

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.:**

Details relating to fees paid to the Statutory Auditors are given in Note 29(a) of the Consolidated Financial Statements.

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

8.8 The Company has complied with the requirements of Corporate Governance Report as mentioned in sub paras (2) to (10) of Schedule V of the SEBI Listing Regulations.

9. 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 Managing Director
DIN: 00312007

Date : 12th August, 2019
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, 2019.

LALIT SETH
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00312007

Date: 20th May, 2019
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, 2019, 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 Kharabanda Associates
Chartered Accountants
Firm Registration No. 003456N

Sunil Kharabanda
Proprietor, FCA
Membership No. 082402
UDIN: 19082402AAAAFQ7830

Place: New Delhi
Date: 12th August, 2019

CEO's and CFO's CERTIFICATE

To

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

We, Lalit Seth, Chairman and Managing Director and Sudhir Barik, CFO 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, 2019 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 transaction entered into by the company during the year ended on 31st March, 2019 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, of management or an employee having a significant role in the Company's internal control system over financial reporting.

	Lalit Seth	Sudhir Barik
Place: Noida	Chairman and Managing Director	CFO
Date: 20th May, 2019	DIN: 00312007	M. No. 13243

Independent Auditor's Report

To the Members of
HPL Electric & Power Ltd.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of HPL ELECTRIC & POWER LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss(including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matters	How the matter was addressed in our audit
Revenue recognition – Fixed price development contracts 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. Refer note no 2(H) of the standalone financial statements	**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.

Adoption of Ind AS 115 – Revenue from Contracts with Customers	Principal Audit Procedures
As described in Note 2(H) to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include – ➢ Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; ➢ Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams; ➢ Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard; ➢ Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and ➢ Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.
Evaluation of uncertain tax positions	**Principal Audit Procedures**
The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.	Our audit procedures include the following substantive procedures: • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts - ➢ Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ➢ Assessed management's estimate of the possible outcome of the disputed cases;

Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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.

   (A) As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

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

i. The Company has disclosed pending litigations and the impact on its financial position - refer note 44 to the Standalone Financial Statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

For Kharabanda Associates
Chartered Accountants
FRN: 003456N

Sunil Kharabanda
Proprietor
M. No. 082402

Place : Noida
Date : 20th May 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

(1) In respect of the Company's fixed assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, on our opinion, provides physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

C) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(2) As explained to us, the inventories were physical verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(3) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(5) The company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provision of the clause 3(v) of the Order are not applicable to the Company.

(6) We have broadly reviewed the books of accounts maintained by the company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records have been prescribed under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained.

(7) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and service Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Value Added Tax, Goods and Service tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrear as at 31st March, 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us by the management and records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Service Tax and Excise Duty as at 31st March, 2019 which have not been deposited on account of dispute, are given below:

Nature of the statue	Nature of dues	Financial year to which the matter pertains	Forum where the Dispute is pending	Amount (Rs. in lakhs)
Central Excise Act,1944	Excise Duty	2008-2009	Addl. Comm, LTU, New Delhi.	16.40
Finance Act 1994	Service Tax	2012--2017	Comm. (A), LTU, Delhi	1.01
Haryana VAT Act 2003	Sales Tax	2008-2009	Haryana Tax Tribunal, Chandigarh.	25.51
Haryana VAT Act 2003	Sales Tax	2011-2012	Jt.Comm.(A), Ambala	4.38
Haryana VAT Act 2003	Sales Tax	2010-2011	Jt.Comm.(A),Rohtak.	17.83
Haryana VAT Act, 2003	Sales Tax	2009-2010	Haryana Tax Tribunal, Chandigarh.	4.78
Finance Act 1994	Service Tax	2011-2012	CESTAT, New Delhi.	1.13
Haryana VAT Act, 2003	Sales Tax	2011-2012	Haryana Tax Tribunal, Rohtak.	18.45
Haryana VAT Act, 2003	Sales Tax	2011-2012	Haryana Tax Tribunal, Sonepat.	23.19
Central Excise Act,1944	Excise Duty	2009-10 to 2015-16	Comm..(A),New Delhi	82.49
Haryana VAT Act, 2003	Sales Tax	2012-13	Haryana Tax Tribunal, Rohtak	10.06
Haryana VAT Act, 2003	Sales Tax	2010-11	Haryana Tax Tribunal, Rohtak	49.22
Finance Act 1994	Service Tax	2010-11 to 2014-15	CESTAT, New Delhi.	163.04
Employee 's Provident Fund Act 1952	EPF	Demand For EPF	EPF Appelllate, Truibunal New Delhi	8.87
Haryana VAT Act, 2003	Sales Tax	2011-12	Haryana Tax Tribunal, Rohtak	23.39
Haryana VAT Act, 2003	Sales Tax	2012-13	Haryana Tax Tribunal, Rohtak	23.67
Haryana VAT Act, 2003	Sales Tax	2013-14	Haryana Tax Tribunal, Rohtak	80.59
Haryana VAT Act, 2003	Sales Tax	2013-14	Jt. Commissioner (A), Rohtak	72.95
Haryana VAT Act, 2003	Sales Tax	2014-15	Jt. Commissioner (A), Rohtak	25.35
Haryana VAT Act, 2003	Sales Tax	2013-14	Jt. Commissioner (A), Rohtak	18.38
Haryana VAT Act, 2003	Sales Tax	2013-14	Jt. Commissioner (A), Rohtak	97.68
Haryana VAT Act, 2003	Sales Tax	2011-12	Haryana Tax Tribunal, Chandigarh	3.61
Haryana VAT Act, 2003	Sales Tax	2012-13	Haryana Tax Tribunal, Chandigarh	1.97
Haryana VAT Act, 2003	Sales Tax	2013-14	Haryana Tax Tribunal, Chandigarh	3.73
Haryana VAT Act, 2003	Sales Tax	2014-15	Haryana Tax Tribunal, Chandigarh	0.52
Haryana VAT Act, 2003	Sales Tax	2010-11	Haryana Tax Tribunal, Jt. ETC (A) Rohtak	33.95
Haryana VAT Act, 2003	Sales Tax	2014-15	Dy. Excise & Taxation Commissioner (ST), Sonipat	10.14
Haryana VAT Act, 2003	Sales Tax	2014-15	Jt Excise & Taxation Commissioner, Ambala	55.74

(8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loan or borrowing to banks. The Company does not have any loans or borrowing from financial institutions or government and has not issued any debentures.

(9) In our opinion and according to the information and explanations given to us, the monies taken by way of term loan have been applied for the purposes for which they were obtained.

(10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(11) In our opinion and according to the information and explanations given to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.

(12) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(13) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture and hence reporting under clause 3(XIV) of the Order is not applicable to the Company.

(15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors as referred to in Section 192 of the Act.

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

For **Kharabanda Associates**
Chartered Accountants
FRN:003456N

Sunil Kharabanda
Proprietor
M. No: 082402

Place : Noida
Date : 20th May 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of HPL Electric & Power Limited of even date)

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

We have audited the internal financial controls over financial reporting of **HPL ELECTRIC & POWER LTD.** ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statement of the company for the year then ended and as on that date.

Management's Responsibility for the Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial Controls Over Financial Reporting (The Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act 2013, to the extant applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For **Kharabanda Associates**

Chartered Accountants

FRN:003456N

Sunil Kharabanda

Proprietor

M. No: 082402

Place : Noida

Date : 20th May 2019

Balance Sheet
as at 31st March 2019

(₹ in Lakhs)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	38,197.15	36,943.56
Intangible assets	4	2,968.08	2,261.53
Capital work in progress		715.07	15.30
Financial assets			
i. Investments	5	5,400.00	5,400.00
ii. Loans	6	255.36	219.05
Deferred tax assets (Net)	7	1,922.38	2,411.69
Other non-current assets	8	1,813.23	2,675.96
		51,271.27	**49,927.09**
Current assets			
Inventories	9	39,588.62	39,514.50
Financial assets			
i. Trade receivables	10	45,182.66	44,692.55
ii. Cash and cash equivalents	11	2,294.14	714.87
iii. Bank balances other than (ii) above	12	3,409.87	5,346.60
iv. Loans	6	41.39	38.83
v. Other financial assets	13	1,267.39	1,109.53
Current tax assets (Net)	14	170.64	310.36
Other current assets	8	3,215.82	5,138.17
		95,170.53	**96,865.41**
		146,441.80	**146,792.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	6,430.05	6,430.05
Other equity	16	66,815.91	64,973.44
Total equity		**73,245.96**	**71,403.49**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	17	244.55	759.26
ii. Other financial liabilities	21	1,196.57	1,218.58
Provisions	18	860.49	751.46
		2,301.61	**2,729.30**
Current liabilities			
Financial liabilities			
i. Borrowingss	19	47,254.47	42,364.67
ii. Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		3,354.02	2,117.38
b) total outstanding dues of creditors other than micro enterprises and small enterprises		17,267.88	25,547.82
iii. Other financial liabilities	21	2,107.71	1,773.61
Provisionss	18	637.01	518.68
Other current liabilities	22	273.14	337.55
		70,894.23	**72,659.71**
		146,441.80	**146,792.50**

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For **Kharabanda Associates**
Chartered Accountants

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Place : Noida
Dated : 20.05.2019

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Barik
Chief Financial Officer
M.No. 13243

Statement of profit and loss

for the year ended 31st March 2019

(₹ in Lakhs)

	Particulars	Notes	Year ended 31st March 2019	Year ended 31st March 2018
	Income:			
I.	Revenue from operations (Gross)	23	110,259.11	102,336.43
II.	Other income	24	398.13	381.57
III.	**Total income (I + II)**		**110,657.24**	**102,718.00**
IV.	**Expenses:**			
	Cost of materials consumed	25	74,412.63	69,212.75
	Changes in inventories of finished goods, work-in-progress	26	(1,312.29)	(2,067.30)
	Excise duty		-	2,324.61
	Employee benefits expense	27	13,268.94	12,509.88
	Finance cost	28	5,276.15	4,615.67
	Depreciation and amortization expenses	29	2,986.61	2,137.00
	Other expenses	30	12,154.87	10,682.79
	Total expenses		**106,786.91**	**99,415.40**
V.	Profit before exceptional items and tax (III-IV)		3,870.33	3,302.60
	Exceptional items		-	-
V.	**Profit before tax (III-IV)**		**3,870.33**	**3,302.60**
VI.	**Tax expense:**			
	(1) Current tax	31	821.23	702.35
	(2) Deferred tax	31	410.58	318.21
VII.	**Profit for the year (V-VI)**		**2,638.52**	**2,282.04**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(31.93)	(1.65)
	Income tax relating to these items		11.05	0.57
	Other comprehensive income for the year, net of tax		**(20.88)**	**(1.08)**
	Total comprehensive income for the year		**2,617.64**	**2,280.97**
VIII.	Earnings per equity share of ₹10/- each	32		
	(1) Basic		4.10	3.55
	(2) Diluted		4.10	3.55

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For **Kharabanda Associates**
Chartered Accountants

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Place : Noida
Dated : 20.05.2019

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Barik
Chief Financial Officer
M.No. 13243

Cash Flow Statement

for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
A. Cash flow from operating activities		
Net profit/ (loss) before tax	3,870.33	3,302.60
Adjustments for :		
- Depreciation and amortisation expenses	2,986.61	2,137.00
- Finance expenses	5,276.15	4,615.67
- Interest income	(392.73)	(364.59)
- Provision for expected credit loss	-	100.58
- Loss / (profit) on sale of fixed assets	6.53	15.29
Operating profit before working capital changes	11,746.89	9,806.55
Adjustments for :		
Decrease/(increase) in trade receivables	(253.71)	700.01
Decrease/(increase) in other financial and non-financial assets	1,765.96	(711.00)
Decrease/(increase) in inventories	(74.12)	(5,205.71)
(Decrease)/increase in trade payables	(7,075.23)	2,244.46
(Decrease)/increase in other financial, non financial liabillities and provisions	475.04	(4,953.11)
Cash generated from operations	6,584.83	1,881.20
- Taxes paid (net of refunds)	(591.73)	(982.46)
Net cash from operating activities	5,993.10	898.74
B. Cash flow from investing activities		
- Purchase of property, plant & equipment and intangible assets	(4,354.61)	(5,560.85)
- (increase)/ decrease in capital work in progress	(699.77)	(15.30)
- Proceeds from sale of fixed assets	23.63	22.70
- Secuity Deoposits (Paid)/Received	(36.31)	1.44
- Interest income received	392.73	364.59
Net cash used in investing activities	(4,674.33)	(5,187.42)
C. Cash flow from financing activities		
- Proceeds from working capital loan (net)	4,889.80	9,454.43
- Repayment of secured term loan	(514.71)	-
- Proceeds from secured long term loan (net)	-	732.87
- Finance expenses	(5,276.15)	(4,615.67)
- Dividends paid on equity shares	(643.00)	(964.50)
- Tax on dividends paid on equity shares	(132.17)	(196.35)
Net cash used in financing activities	(1,676.23)	4,410.78
Net changes in cash & cash equivalents (a+b+c)	(357.46)	122.10
Cash & cash equivalents at the beginning of the year	6,061.47	5,939.37
Cash & cash equivalents at the end of the year	5,704.01	6,061.47

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For **Kharabanda Associates**
Chartered Accountants

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Place : Noida
Dated : 20.05.2019

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Barik
Chief Financial Officer
M.No. 13243

Statement of changes in equity

for the year ended 31st March 2019

I) Equity Share Capital

(₹ in Lakhs)

Particulars	Notes	Amounts
Balance as at 1st April 2017		6,430.05
Changes during the year	15	-
Balance as at 31st March 2018		**6,430.05**
Changes during the year	15	-
Balance as at 31st March 2019		**6,430.05**

II) Other equity

(₹ in Lakhs)

Particulars	Notes	Security premium	General reserve	Retained earnings	Total
Balance as at 1st April 2017	16	36,601.35	2,571.31	24,680.67	63,853.33
Profit for the year		-	-	2,282.04	2,282.04
Other comprehensive income		-	-	(1.08)	(1.08)
Total comprehensive income		**-**	**-**	**2,280.96**	**2,280.96**
Transaction with owners in their capacity as owners:					
Received on issue of equity shares		-	-	-	-
Share issue expenses		-	-	-	-
Proposed Dividend				(964.50)	(964.50)
Tax on Proposed Dividend				(196.35)	(196.35)
Balance as at 31st March 2018		**36,601.35**	**2,571.31**	**25,800.78**	**64,973.44**
Profit for the year		-	-	2,638.52	2,638.52
Other comprehensive income				(20.88)	(20.88)
Total comprehensive income		**-**	**-**	**2,617.64**	**2,617.64**
Transaction with owners in their capacity as owners:					
Proposed Dividend		-	-	(643.00)	(643.00)
Tax on Proposed Dividend		-	-	(132.17)	(132.17)
Balance as at 31st March 2019		**36,601.35**	**2,571.31**	**27,643.25**	**66,815.91**

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For **Kharabanda Associates**
Chartered Accountants

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Place : Noida
Dated : 20.05.2019

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Barik
Chief Financial Officer
M.No. 13243

Notes to Accounts

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 20, 2019.

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

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

Amortisation methods and periods

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

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

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

D) Impairment of non-financial assets

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

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

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

E) Financial Instruments

i) Financial Assets

A) Initial recognition and measurement

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

B) Subsequent measurement

a) Financial assets carried at amortised cost

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

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

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

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

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

C) Investment in subsidiaries

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

D) Other Equity Investments

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

E) Impairment of financial assets

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

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

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

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

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

ii) Financial Liabilities

A) Initial recognition and measurement

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

B) Subsequent measurement

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

F) Income recognition

Interest income

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

Dividends

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

G) Inventories

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

H) Revenue Recognition

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

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

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

I) Employee Benefits

(i) Short-term obligations

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

(ii *Post-Employment Benefits*

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

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

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

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

Termination benefits are recognized as an expense immediately.

J) Borrowing Cost

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

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

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

K) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

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

L) Lease

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

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

M) Foreign Currency Transactions

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

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

N) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

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

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

O) Provisions and Contingent liabilities

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

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

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

P) Government Grant

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

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

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

Q) Segment Reporting

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

R) Contributed equity

Equity shares are classified as equity.

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

S) Dividends

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

T) Cash and Cash Equivalents

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

U) Offsetting financial instruments

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

V) Rounding of amounts

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

W) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116- Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognize a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

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

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

X) Significant accounting judgements, estimates and assumptions

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

Judgements, Estimates and assumptions

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

a) Defined benefit plan-Gratuity

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 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 to Accounts forming part of the Financial Statements as on March 31, 2019

3 Property, plant and equipment

(₹ in Lakhs)

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		As at 1st April 2018	Additions	Deletion / Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Deletion / Adjustment	As at 31st March 2019	As at 31st March 2019
1	Freehold Land	12,991.00	-	-	12,991.00	-	-	-	-	12,991.00
2	Building	8,686.71	10.56	-	8,697.27	461.42	235.17	-	696.59	8,000.68
3	Plant & Machinery	17,348.29	3,493.92	(51.02)	20,791.19	2,289.57	2,033.90	(5.82)	4,317.65	16,473.54
4	Furniture & Fittings	297.64	21.05	-	318.69	61.71	35.37	-	97.08	221.61
5	Office Equipment's	123.30	14.66	-	137.96	46.22	17.54	-	63.76	74.20
6	Vehicles	474.78	174.00	(67.48)	581.30	119.26	63.26	(37.34)	145.18	436.12
	TOTAL	**39,921.73**	**3,714.19**	**(118.50)**	**43,517.41**	**2,978.18**	**2,385.24**	**(43.16)**	**5,320.26**	**38,197.15**

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		As at 1st April 2017	Additions	Deletion / Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Deletion / Adjustment	As at 31st March 2018	As at 31st March 2018
1	Freehold Land	12,991.00	-	-	12,991.00	-	-	-	-	12,991.00
2	Building	8,599.66	87.05	-	8,686.71	234.72	226.70	-	461.42	8,225.29
3	Plant & Machinery	13,853.78	3,494.52	-	17,348.29	1,021.65	1,267.93	-	2,289.57	15,058.72
4	Furniture & Fittings	227.89	69.75	-	297.64	25.42	36.29	-	61.71	235.93
5	Office Equipment's	93.33	34.23	(4.25)	123.30	22.62	23.60	(0.01)	46.22	77.09
6	Vehicles	347.55	168.13	(40.90)	474.78	50.71	75.68	(7.13)	119.26	355.53
	TOTAL	**36,113.21**	**3,853.68**	**(45.16)**	**39,921.73**	**1,355.12**	**1,630.20**	**(7.14)**	**2,978.18**	**36,943.56**

i) Refer to note 19 for information on property, plant and equipment pledged as security by the Company.
ii) Capital work-in-progress mainly comprises of building being constructed.

4 Intangible assets

S.No.	Gross Block	Gross Block				Accumulated Depreciation				Net Block
		As at 1st April 2018	Additions	Deletion / Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Deletion / Adjustment	As at 31st March 2019	As at 31st March 2019
1	Software & Designs	3,692.85	1,307.92	-	5,000.78	1,431.32	601.37	-	2,032.69	2,968.08
	TOTAL	**3,692.85**	**1,307.92**	**-**	**5,000.78**	**1,431.32**	**601.37**	**-**	**2,032.69**	**2,968.08**

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		As at 1st April 2017	Additions	Deletion / Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Deletion / Adjustment	As at 31st March 2018	As at 31st March 2018
1	Software & Designs	3,291.09	401.76	-	3,692.85	924.52	506.80	-	1,431.32	2,261.53
	TOTAL	**3,291.09**	**401.76**	**-**	**3,692.85**	**924.52**	**506.80**	**-**	**1,431.32**	**2,261.53**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

5 Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investment in Subsidiary		
Himachal Energy Pvt Ltd (15,000,000 Shares of ₹ 10 each)	5,400.00	5,400.00
(31st March 2018: 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**

6 Loans

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Security Deposits	255.36	219.05	41.39	38.83
Total	**255.36**	**219.05**	**41.39**	**38.83**

7 Deferred tax assets

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
The balance comprises temporary differences attributable to:	-	-
Provision for employee benefits	360.80	234.98
Provision for warranties	174.69	204.59
Provision for doubtful debts	879.21	1,258.80
Property, plant and equipment	(2,309.97)	(1,733.88)
Others	681.46	681.46
MAT credit	2,136.18	1,765.74
Total deferred tax assets	**1,922.38**	**2,411.69**

Movement in deferred tax assets

(₹ in Lakhs)

Particulars	Provision for employee benefits	Provision for warranties	Provision for doubtful debts	Total
As at 1st April 2017	259.28	203.50	1,223.99	1,686.77
(Charged)/credited:				
- to profit or loss	(24.87)	1.09	34.81	11.03
- to other comprehensive income	0.57	-	-	0.57
As at 31st March 2018	**234.98**	**204.59**	**1,258.80**	**1,698.37**
(Charged)/credited:				
- to profit or losss	136.87	(29.90)	(379.59)	(272.62)
- to other comprehensive incomes	(11.05)	-	-	(11.05)
As at 31st March 2019	**360.80**	**174.69**	**879.21**	**1,414.70**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

Particulars	Property, plant and equipment	Others	Total
As at 1st April 2017	**(1,043.24)**	**879.76**	**(163.48)**
(Charged)/credited:			-
- to profit or loss	(690.63)	(198.30)	(888.94)
- to other comprehensive income			-
As at 31st March 2018	**(1,733.88)**	**681.46**	**(1,052.42)**
(Charged)/credited:			
- to profit or losss	(576.09)	-	(576.09)
- to other comprehensive incomes	-	-	-
As at 31st March 2019	**(2,309.97)**	**681.46**	**(1,628.51)**

8 Other assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital advances to related parties	683.11	1,305.41	-	-
Receivable on deferred basis to related parties	1,122.13	1,358.53	-	-
Prepaid Expenses	7.99	12.02	204.27	408.70
Balance with government authorities	-	-	724.78	1,941.09
Other Advances*	-	-	663.43	1,065.99
Advance to Suppliers**	-	-	1,616.14	1,713.97
Duty Drawback Recoverable	-	-	7.20	8.42
Total	**1,813.23**	**2,675.96**	**3,215.82**	**5,138.17**

**includes Rs. 334.30/- lakhs from joint ventures where directors are interested (PY: 435.54/- lakhs)

*** in current year ₹ Nil (PY includes Rs 900 lakhs from subsidiary company)

9 Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
a. Raw Materials and components		
(i) Raw materials	15,957.05	16,821.31
(ii) Material-in-transit	38.92	421.99
b. Work-in-progress	13,600.93	15,587.52
c. Finished goods	9,954.45	6,655.55
d. Stores and spares	37.27	28.13
Total	**39,588.62**	**39,514.50**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

10 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(i) Considered good*	45,182.66	44,692.55
(ii) Considered doubtful	2,550.46	3,636.73
	47,733.12	48,329.28
Less: Provision for doubtful receivables	(2,550.46)	(3,636.73)
Total	**45,182.66**	**44,692.55**

(Trade Receivables include outstanding for a period exceeding six months from the date they became due for payment ₹ Nil (P.Y.₹ Nil)

* includes from subsidiary company ₹1,586.02 (P.Y. ₹ 4,162.25 lakhs) and from companies where directors are interested ₹ 467.01 lakhs (P.Y. ₹ 1037.06 lakhs) Refer note no.39

11 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and Cash equivalents		
Balances with banks	2,263.84	680.51
Cash on hand	30.30	34.36
	2,294.14	**714.87**

12 Other Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with Banks held as Margin Money	3,409.87	5,346.60
Total	**3,409.87**	**5,346.60**

13 Other financial assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2019	As at 31st March 2018
Earnest money deposit	1,006.15	1,041.50
Insurance claim Recoverable	53.99	68.03
Contract Asset Recoverable	207.25	-
Total	**1,267.39**	**1,109.53**

14 Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance Income Tax (net of Provision for Taxation)	170.64	310.36
Total	**170.64**	**310.36**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

15 Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(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 2018; 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 2019		As at 31st March 2018	
	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 2019		As at 31st March 2018	
	No. of Equity Shares held	**% of Holding**	**No. of Equity Shares held**	**% of Holding**
Mr. Lalit Seth	7,809,598	12.15	7,703,098	11.98
HPL India Ltd.*	17,573,238	27.33	11,738,238	18.26
Havell's Electronics Pvt. Ltd	11,652,130	18.12	11,652,130	18.12
HPL Project Portfolio Pvt Ltd*	-	-	5,625,000	8.75
HDFC Trustee Co Ltd A/c HDFC Housing Opportunities	3,877,376	6.03	3,877,376	6.03

*HPL Project portfolio Pvt Ltd has merged with HPL India Limited vide Order No NCLT/Estt./Chd 1449 dated 7th August 2018 of Hon'ble NCLT Chandigarh Bench.

(f) Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:

Equity shares allotted as fully paid up bonus shares by capitalsation of securities premium account:-

(₹ in Lakhs)

Particulars	No. of shares Face value ₹ 10/-
2015-16	278.58
2016-17	-
2017-18	-
2018-19	-

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

16 Other equity

Reserves and Surplus

(₹ in Lakhs)

(a) Securities Premium	As at 31st March 2019	As at 31st March 2018
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 2019	As at 31st March 2018
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 2019	As at 31st March 2018
Opening balance - retained earnings	25,800.78	24,680.67
(+) Net Profit/(Loss) For the current year	2,638.52	2,282.04
(-) Dividend on Equity Shares	643.00	964.50
(-) Tax on Dividend	132.17	196.35
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(20.88)	(1.08)
Closing Balance	27,643.25	25,800.78
Total other equity (a+b+c)	**66,815.91**	**64,973.44**

17 Borrowings

(₹ in Lakhs)

Particulars	Non-Current		Current Maturities	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Secured				
Term loan from banks (refer note 19)*	136.36	681.82	545.45	545.45
Vehicle loans - from banks**	108.19	77.44	60.52	62.88
Total	**244.55**	**759.26**	**605.97**	**608.33**

The term loan is secured as per the note given in note 19 and rate of interest on term loan is linked with 1 year MCLR + spread of 0.90% p.a. The loan is repayable in 11 equal quarterly installments, starting from 31st December, 2017 and have maturity date of 30th June, 2020.

"** Vehicles loans are secured against hypothecation of respective vehicles and are repayable in maximum 60 instalments and last date of installment is April. 2023. The loan carries an interest rate @ 9.10% pa.

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

18 Provisions

(₹ in Lakhs)

Particulars	Long-term		Short-term	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
(a) Provision for employee benefits				
Gratuity	479.84	387.94	19.52	37.82
Leave Encashment	-	-	492.55	253.21
	479.84	387.94	512.07	291.03
(b) Other Provisions				
Provision for Warranties	380.65	363.52	124.94	227.65
	380.65	363.52	124.94	227.65
Total	**860.49**	**751.46**	**637.01**	**518.68**

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	Amount
As at 1st April 2017	588.01
Charged/(credited) to profit or loss	
- additional provisions recognised	299.98
- unwinding of discount	17.60
Amounts used during the year	(314.42)
As at 31st March 2018	**591.17**
Charged/(credited) to profit or loss	
- additional provisions recognisedd	168.08
- unwinding of discountt	24.06
Amounts used during the yearr	(277.72)
As at 31st March 2019	**505.59**

19 Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Loans repayable on demand		
- Secured Loans		
- From Banks	47,254.47	32,364.67
- Unsecured Loans		
- Commercial paper (refer note 42)	-	10,000.00
Total	**47,254.47**	**42,364.67**

Working capital facilities are availed from consortium of banks led by State Bank of India. The lead bank has linked its interest rate with 1 year MCLR + spread of 0.95% p.a. and these working capital facilities are repayable on demand.'Working capital facilities (fund based and non fund based) are secured by way of first pari-passu charge over entire current assets of the company including stocks and receivables both present and future and first charge on pari-passu basis over Company's entire property, plant & equipment. Term lenders will also have first pari-passu charge on property, plant & equipment and 2nd pari passu charge on current assets to the extent of Rs. 65 Crores. Working capital facilities are also secured by personal guarantees of three promoter directors.

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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 2019	As at 31st March 2018
Cash and cash equivalentss	5,704.01	6,061.47
Long term borrowingss	(244.55)	(759.26)
Short term borrowingss	(47,254.47)	(42,364.67)
Net debt	**(41,795.01)**	**(37,062.46)**

Particulars	Cash and cash equivalents	Long term Borrowings	Current Borrowings	Total
Net debt as at 1st April 2017	5,939.37	(26.39)	(32,910.24)	(26,997.26)
Cash flows	122.10	-	-	122.10
Proceeds from working capital loan	-	-	(9,454.43)	(9,454.43)
Proceeds from secured long term loan	-	(732.87)	-	(732.87)
Net debt as at 31st March 2018	6,061.47	(759.26)	(42,364.67)	(37,062.46)
Cash flowss	(357.46)	-		(357.46)
Proceeds from working capital loan	-	-	(4,889.80)	(4,889.80)
Repayment of secured long term loan	-	514.71	-	514.71
Net debt as at 31st March 2019	**5,704.01**	**(244.55)**	**(47,254.47)**	**(41,795.01)**

Utilised amount of bank guarantees (performance and bid bonds) as at 31st March 2019 : 37,355.17/- lakhs(PY: 35,204.49 lakhs)

20 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Payables		
(a) Due to Micro and Small Enterprises under MSMED Act, 2006* (Refer note 36)	3,354.02	2,117.38
(b) Others	17,267.88	25,547.82
Total	**20,621.90**	**27,665.20**

21 Other financial liabilities

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Current maturities of long-term debt	-	-	605.97	608.33
Expenses Payable	-	-	248.72	422.30
Interest Accrued but not due	-	-	55.75	28.40
Employee Benefits Payable	-	-	1,197.27	714.58
Security deposit received	1,196.57	1,218.58	-	-
Total	**1,196.57**	**1,218.58**	**2,107.71**	**1,773.61**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

22 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Statutory dues payable	270.82	336.35
Unpaid Dividend	2.32	1.20
Total	**273.14**	**337.55**

23 Revenue from operation

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sale of Products		
Finished Goods	110,259.11	102,336.43
Total	**110,259.11**	**102,336.43**

Particulars of Sale of products (gross)

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Finished goods		
Metering	55,409.78	49,970.80
Switch Gears	22,698.59	19,963.81
Lighting & Electronics	21,172.95	18,649.21
Cables	10,977.79	13,752.61
Total	**110,259.11**	**102,336.43**

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Net sales/Revenue from operations (Net of excise duty)	110,259.11	100,011.81

24 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest income from financial assets at amortised cost	392.73	364.59
Other non-operating income	5.40	16.98
Total	**398.13**	**381.57**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

25 Particulars of Raw Materials Consumed

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Copper	9,250.96	10,919.95
Electronic Components	43,387.66	40,191.40
Engineering Plastic	8,748.87	7,533.57
Packing	1,299.87	1,149.41
Others	11,725.27	9,418.42
Total	**74,412.63**	**69,212.75**

26 Changes in Inventories of Finished Goods and Work-in-Progress and Stock-in- Trade

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Inventories (at close)		
Finished Goods	9,954.44	6,655.55
Work-in-Progress	13,600.92	15,587.52
	23,555.36	**22,243.07**
Inventories (at commencement)		
Finished Goods	6,655.55	11,030.08
Work-in-Progress	15,587.52	9,145.69
	22,243.07	**20,175.77**
Total	**(1,312.29)**	**(2,067.30)**

27 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries and wages	12,745.93	11,465.54
Contribution to provident and other funds	275.97	271.84
Staff welfare expenses	247.04	772.50
Total	**13,268.94**	**12,509.88**

28 Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest Expenses	4,555.53	3,897.52
Other borrowing costs- Bank Charges	720.62	718.15
Total	**5,276.15**	**4,615.67**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

29 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation on property, plant and equipment	2,385.24	1,630.20
Amortisation of intangible assets	601.37	506.80
Total	**2,986.61**	**2,137.00**

30 Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Power and Fuel	1,102.32	1,085.80
Rent	468.31	550.71
Repairs to Buildings	20.63	31.99
Repairs to Machinery	175.16	213.29
Repairs & Maintenance (Others)	339.04	355.63
Research & Development Expenses	777.47	780.53
Installation Expenses	511.37	514.63
Testing Expenses	321.17	325.85
Rates and taxes excluding taxes on income	205.27	151.06
Legal & Professional Expenses	589.24	601.66
Travelling & Conveyance	1,584.93	1,600.96
Communication Expenses	189.18	281.44
Printing & Stationery	74.51	66.75
Insurance	150.54	86.76
Membership & Subscription	25.78	10.59
Commision on sales	1,442.84	1,009.85
Provision for expected credit loss	52.88	100.58
Advertisement and business promotion	3,026.83	1,503.01
Freight Outward	890.08	1,015.72
Product Warranties	168.08	299.97
Loss on sale of Fixed Assets	6.53	15.29
Donation	0.89	0.45
Auditors remuneration	18.00	16.00
Contribution towards Corporate Social Responsibility	13.32	62.32
Miscellaneous Expenses	0.50	1.95
Total	**12,154.87**	**10,682.79**

30(a) Auditor's Remuneration

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Audit Fees	16.50	15.00
Tax Audit Fees	1.50	1.00
Total	**18.00**	**16.00**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

30(b) Research & Development Expenditure :-

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
(i) Capital Expenditure	10.54	66.57
	10.54	**66.57**
(ii) Revenue Expenditure		
a) Employee Cost	713.63	721.83
b) Staff Welfare	0.05	0.08
c) Purchase of Raw Materials	24.56	31.95
d) Electricity Expenses	4.42	6.09
e) Communication Expenses	1.81	5.27
f) Travelling & Conveyance	20.74	8.87
g) Repair & Maintenance	10.63	6.41
h) Sample Testing	1.63	0.03
	777.47	**780.53**
Total	**788.01**	**847.10**

30(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. The Company has contributed a sum of Rs. 6 lakhs to a Trust named as Seth Inder Narain Foundation, for carrying out the activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

Details of CSR Expenditure	Year ended 31st March 2019	Year ended 31st March 2018
a) Gross amount required to be spent by the Company during the year	64.63	77.55
b) Amount spent during year ended 31st March 2019		
Construction/ acquisition of an asset	-	-
Contribution to other purpose other than above	13.32	62.32
Total	**13.32**	**62.32**

31 Income tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Current tax		
Current tax on profits for the year	821.23	702.35
Total current tax expense	**821.23**	**702.35**
Deferred tax		
Deferred tax expense/(income) for the period	870.81	877.90
MAT credit entitlement	(460.22)	(559.69)
Total deferred tax expense/(benefit)	**410.58**	**318.21**
Income tax expense	**1,231.81**	**1,020.56**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(a) Reconciliation of tax expense and the accounting profit	Year ended 31st March 2019	Year ended 31st March 2018
Profit before income tax expense	3,870.33	3,302.60
Tax at the Indian tax rate of 34.944% (31st March 2018 – 34.608%)	1,352.45	1,142.96
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	4.65	21.57
Research & development expenses	(141.36)	(146.58)
Other items	16.07	2.61
Income tax expense	**1,231.81**	**1,020.56**

32 Earnings per share

(₹ in Lakhs except EPS)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
(i) Profit after tax	2,638.52	2,282.04
(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)	4.10	3.55
(vi) Earning Per Share (Dilutive)	4.10	3.55

33 Fair value measurements

Financial instruments by category

(₹ in Lakhs)

	As at 31st March 2019		As at 31st March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	45,182.66	-	44,692.55
Loans	-	296.75	-	257.88
Cash and Bank Balances	-	5,704.01	-	6,061.47
Other Financial Assets	-	1,267.39	-	1,109.53
Total financial assets	**-**	**52,450.81**	**-**	**52,121.43**
Financial liabilities				
Borrowings	-	47,499.02	-	43,123.93
Trade payables	-	20,621.90	-	27,665.20
Other Financial Liabilities	-	3,304.28	-	2,992.19
Total financial liabilities	**-**	**71,425.20**	**-**	**73,781.32**

(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 to Accounts forming part of the Financial Statements as on March 31, 2019

Assets and liabilities which are measured at amortised cost

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
As at March 31, 2019				
Financial assets				
Trade receivables	-	-	45,182.66	45,182.66
Loans	-	-	296.75	296.75
Cash and bank balances	-	-	5,704.01	5,704.01
Other financial assets	-	-	1,267.39	1,267.39
Total financial assets	**-**	**-**	**52,450.81**	**52,450.81**
Financial liabilities				
Borrowings	-	-	47,499.02	47,499.02
Trade payables	-	-	20,621.90	20,621.90
Other financial liabilities	-	-	3,304.28	3,304.28
Total financial liabilities		**-**	**71,425.20**	**71,425.20**
As at March 31, 2018				
Financial assets				
Trade receivables	-	-	44,692.55	44,692.55
Loans	-	-	257.88	257.88
Cash and bank balances	-	-	6,061.47	6,061.47
Other financial assets	-	-	1,109.53	1,109.53
Total financial assets	**-**	**-**	**52,121.43**	**52,121.43**
Financial liabilities				
Borrowings	-	-	43,123.93	43,123.93
Trade payables	-	-	27,665.20	27,665.20
Other financial liabilities	-	-	2,992.19	2,992.19
Total financial liabilities	**-**	**-**	**73,781.32**	**73,781.32**

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 2019, 31st March 2018, 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.

34 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 to Accounts forming part of the Financial Statements as on March 31, 2019

(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, 2019:

Movement in Expected Credit Loss Allowance: (₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March, 2018
At the beginning of year	3,636.73	3,536.73
Provision during the year	52.88	100.58
Bad debts written off	(1,139.15)	(0.58)
Reversal/adjustment of provision	-	-
Total ECL	**2,550.46**	**3,636.73**

(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
As at 31st March 2019			
Borrowings	47,254.47	244.55	47,499.02
Trade payables	20,621.90	-	20,621.90
Other financial liabilities	2,107.71	1,196.57	3,304.28
Total	**69,984.08**	**1,441.12**	**71,425.20**
As at 31st March 2018			
Borrowings	42,364.67	759.26	43,123.93
Trade payables	27,665.20	-	27,665.20
Other financial liabilities	1,773.61	1,218.58	2,992.19
Total	**71,803.48**	**1,977.84**	**73,781.32**

(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 2019. 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 2019.

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(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 31,2019 comprises of floating rate loans and accordingly, are expose to risk of fluctuation in market interest rate.

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 2019	31st March, 2018
Interest rate (increase by 100 basis points)*	(474.99)	(431.24)
Interest rate (decrease by 100 basis points)*	474.99	431.24

*** 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)

	As at March 31, 2019		As atMarch 31, 2018	
	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Trade receivables				
United States Dollar (USD)	5.97	412.82	0.65	42.17
Euro (EUR)	0.06	4.77	-	-
Great Britain Pound (GBP)	0.57	51.34	-	-
Net exposure to foreign currency risk (assets)		**468.93**		**42.17**
Trade payables				
United States Dollar (USD)	76.19	5,270.46	114.35	7,399.95
Euro (EUR)	0.02	1.32	0.01	0.40
Chinese Yuan Renminbi (RMB)	-	-	8.33	85.34
Net exposure to foreign currency risk (liabilities)		**5,271.78**		**7,485.69**

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 ₹ 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 2019	31st March, 2018
USD sensitivity		
INR/USD - Increase by 1%*	(48.58)	(73.58)
INR/USD - Decrease by 1%*	48.58	73.58
EUR sensitivity		
INR/EUR - Increase by 1%*	0.03	(0.004)

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

Particulars	Impact on profit after tax	
	31st March 2019	31st March, 2018
INR/EUR - Decrease by 1%*	(0.03)	0.004
CNY sensitivity		
INR/RMB - Increase by 1%	-	(0.85)
INR/RMB - Decrease by 1%	-	0.85
GBP sensitivity		
INR/GBP - Increase by 1%	0.51	-
INR/GBP - Decrease by 1%	(0.51)	-

*** Holding other variables constant**

35 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 2019, 31st March 2018.

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

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Borrowings	47,499.02	43,123.93
Cash and Bank Balances	(5,704.01)	(6,061.47)
Net debt	**41,795.01**	**37,062.46**
Equity	**73,245.96**	**71,403.49**
Net debt to equity ratio	**57.06%**	**51.91%**

(b) Dividends

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
(i) Equity shares		
Final dividend for the year ended 31st March 2018 of INR 1.00	643.00	964.50
(31 March 2017 – INR 1.50) per fully paid share		
DDT on final dividend	132.17	196.35

(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 ₹ 0.20 per (2%) fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

36 The disclosure pursuant to Micro, Small & Medium Enterprises Act 2006, are as under:

a) Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending 31st March, 2019 - ₹ 3,354.02/- lakhs (P.Y. ₹ 2,117.38/- 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, 2019 – Nil (P.Y. Nil)

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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, 2019 – Nil (P.Y. Nil)

e) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

37 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	Year ended 31st March 2019	Year ended 31st March, 2018
Employer's contribution to Provident Fund	230.86	235.17
Employer's contribution to ESI	46.76	34.05
Employer's contribution to Welfare Fund	2.04	2.62
Total	**279.66**	**271.84**

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)	
	Year ended 31st March 2019	Year ended 31st March, 2018
Defined Benefit obligation at beginning of the year	425.77	317.38
Current Service Cost	80.85	83.90
Past Service Cost	-	61.16
Interest Cost	33.00	24.60
Benefits paid	(72.19)	(62.92)
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	-	(19.92)
Actuarial changes arising from changes in experience adjustments	31.93	21.57
Defined Benefit obligation at end of the year	**499.36**	**425.77**

Net defined benefit asset/ (liability) recognised in the balance sheet (₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March, 2018
Present value of defined benefit obligation	499.36	425.77
Amount recognised in Balance Sheet- Asset / (Liability)	**499.36**	**425.77**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

ii) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Current Service Cost	80.85	83.90
Past Service Cost	-	61.16
Interest Cost	33.00	24.60
Net defined benefit expense debited to statement of profit and loss	**113.85**	**169.66**

iii) Remeasurement of (Gain)/loss recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	(19.92)
Actuarial changes arising from changes in experience adjustments	31.93	21.57
Recognised in other comprehensive income	31.93	1.65

iv) Principal assumptions used in determining defined benefit obligation

Discount Rate	7.75% p.a.	7.75% p.a.
Rate of escalation in salary(per annum)	5% p.a	5% p.a
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	2- 5% p.a.	2- 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	Year ended 31st March 2019	Year ended 31st March, 2018
Discount Rate		
Increase by 1%	451.15	389.22
Decrease by 1%	555.74	468.60
Salary Increase		
Increase by 1%	556.76	468.46
Decrease by 1%	449.55	388.87
Attrition Rate		
Increase by 1%	509.87	432.71
Decrease by 1%	487.24	417.49

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

vi) Maturity profile of defined benefit obligation (undiscounted)

(₹ in Lakhs)

Particulars	31st March 2019	31st March, 2018
Within the next 12 months (next annual reporting period)	19.52	65.49
Between 2 and 5 years	125.58	97.79
Between 5 and 10 years	543.04	418.13
Total expected payments	**688.14**	**581.41**

vii) The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (31st March 2018: 14 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.

38 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 four reportable segments viz Metering,Switchgear, Lighting & Electronics and cables 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	Year ended 31st March 2019	Year ended 31st March, 2018
	Segment Revenue (Gross)		
	Metering	55,409.78	49,970.80
	Switchgear	22,698.59	19,963.81
	Lighting & Electronics	21,172.95	18,649.21
	Cables	10,977.79	13,752.61
		110,259.11	**102,336.43**

(B)	**Results**		
	Segment Results		
	Metering	7,636.47	6,966.29
	Switchgear	4,292.29	3,519.94
	Lighting & Electronics	2,405.48	2,131.38
	Cables	477.70	798.75
		14,811.94	**13,416.36**
	Unallocated expenses net of income	5,665.46	5,498.09
	Operating Profit	9,146.48	7,918.27
	Interest Expenses	5,276.15	4,615.67
	Profit before tax	3,870.33	3,302.60
	Tax Expenses	1,231.81	1,020.56
	Profit after tax	**2,638.52**	**2,282.04**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(C)	**Other Information**		
	Segment Assets		
	Metering	57,214.12	56,845.12
	Switchgear	37,526.05	38,110.76
	Lighting & Electronics	25,737.02	24,919.87
	Cables	18,471.60	18,834.35
	Unallocated	7,493.01	8,082.40
		146,441.80	**146,792.50**
	Segment Liabilities		
	Metering	14,341.74	18,612.65
	Switchgear	9,418.97	9,059.89
	Lighting & Electronics	1,095.08	1,457.70
	Cables	841.03	3,134.84
	Unallocated	47,499.02	43,123.93
		73,195.84	**75,389.01**
	Capital Expenditure		
	Metering	2,170.24	2,532.34
	Switchgear	2,699.43	1,193.46
	Lighting & Electronics	7.57	332.78
	Cables	144.87	196.86
		5,022.11	**4,255.44**
	Depreciation		
	Metering	1,479.18	937.56
	Switchgear	1,189.79	962.34
	Lighting & Electronics	137.53	71.07
	Cables	180.11	166.03
		2,986.61	**2,137.00**
	Segment Revenue		
	The following is the distribution of Company's revenue by geographical market :-		
	Domestic Market	107,941.15	100,412.42
	Overseas Market	2,317.96	1,924.01
		110,259.11	**102,336.43**

39 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)

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(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.

(C) Key Management Personnel :

(1) Mr. Lalit Seth
(2) Mr. Rishi Seth
(3) Mr. Gautam Seth
(4) Mr. C.P.Jain
(5) Mr. Vinod Ratan (up to 20.01.2019)
(6) Mr. Sudhir Kumar Barik
(7) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth
(2) Mrs. Pooja Seth
(3) Mrs. Vani Seth

(D) Subsidiary Company:

(1) Himachal Energy Pvt. Ltd.

(ii) Key management personnel compensation

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Short-term employee benefits	991.16	1,022.11
Dividend paid during the year	122.05	183.06
Total Compensation	**1,113.21**	**1,205.17**

(iii) Details of tranactions with Related Parties:-

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Purchase of goods		
1. Himachal Energy Pvt. Ltd	746.81	19.16
2. Havells Private Limited	12.00	1,376.02
3. Amrex Pvt Ltd.	5.06	-
Purchase of services		
1. HPL India Ltd	210.00	-
Sale of goods		
1. Himachal Energy Pvt. Ltd	3,496.98	5,032.24
2. Amerex Pvt. Ltd.	25.22	73.52
3. Havells Private Limited	-	1,614.21
4. HPL India Ltd	-	649.05
Sale of services		
1. HPL India Ltd	321.00	-
2. Havells Private Limited	45.62	-
3. Himachal Energy Pvt Ltd	210.00	-
Purchase of fixed assets		
1. Himachal Energy Pvt. Ltd.	513.30	1,395.08
Purchase of Design		

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
1 HPL India Ltd	1,308.00	400.00
Dividend paid to related parties		
1. Havells Electronics Pvt. Ltd	116.52	174.78
2. Havells Pvt. Ltd	28.43	42.64
3. HPL India Ltd	175.73	176.07
4. Jesons impex Pvt Ltd	0.24	0.36
5. Amerex India Pvt. Ltd**	-	3.15
6. HPL Projects Portfolio Pvt. Ltd**	-	84.38
CSR Contribution		
Enterprises in which directors are interested		
1. Seth Inder Narain Trust	6.00	60.40
Transaction with Key Managerial Person		
1. Managerial Remuneration	991.16	1,022.11
2. Director sitting fees	17.70	11.10
3. Dividend Paid	122.05	183.06
4. Rent Paid	18.00	62.10
Transaction with relatives of Key Managerial Person		
1. Rent paid	18.00	35.70
2. Dividend Paid	21.33	32.00

**HPL Project portfolio Pvt Ltd was merged with HPL India Limited vide Order No NCLT/Estt./Chd 1449 dated 7th August 2018 of Hon'ble NCLT Chandigarh Bench.

(iv) Summary of outstanding Balances with the above Related Parties for the respective years are as given below:

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
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)	201.20	302.64
2. HPL ELECTRIC & POWER PRIVATE LIMITED- SHRIJI DESIGNS (JV)	133.10	132.90
Trade Receivables		
1. Himachal Energy Pvt. Ltd (Subsidiary Co)	1,586.02	4,162.25
2. HPL India Ltd	220.87	523.93
3. Havells Private Limited	-	368.51
4. Amerex Private Limited	246.14	144.62
Deferred Receivables		
1. HPL India Ltd*	1,122.13	1,358.53
Advance for Supply of Design		
1. HPL India Ltd	683.11	1,305.41
Advance to Customer		
1. Himachal Energy Pvt. Ltd (Subsidiary Co)	-	900.00

*Being erstwhile HPL Project portfolio Pvt Ltd was merged with HPL India Limited vide Order No NCLT/Estt./Chd 1449 dated 7th August 2018 of Hon'ble NCLT Chandigarh Bench.

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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 2019, 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

40 The Board of Directors has recommended a dividend at the rate of ₹ 0.20 (2%) per share of face value of Rs. 10 each for the year ended 31st March, 2019.

41 The Company do not have any outstanding commercial paper period ending 31st March, 2019. (P Y ₹ 10,000 Lakhs)

42 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.

43 Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	748.68	210.39

44 Contingent Liabilities:

(₹ in Lakhs)

S.No	Name of Statute	Description	As at 31st March 2019	As at 31st March 2018
a)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08	-	45.38
b)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08.	-	10.40
c)	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	16.40	16.40
d)	Central Excise Act, 1944	Demand for Excise Duty before Comm. (A), New Delhi for 2009-10 to 2015-16.	82.49	84.11
e)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2001-02 to 2004-05.	-	50.19
f)	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13 to 2016-17	1.01	1.01
g)	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	1.13	1.13
h)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	25.51	25.51
i)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	17.83	17.83
j)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	4.78	4.78
k)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	18.45	18.45
l)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2012-13	10.06	10.06

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

S.No	Name of Statute	Description	As at 31st March 2019	As at 31st March 2018
m)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2010-11	49.22	49.22
n)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2011-12	23.19	23.19
o)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	4.38	4.38
p)	Finance Act, 1994	Show cause notice received towards short payment of Service Tax for 2010-11 to 2014-15	163.04	163.04
q)	Finance Act, 1994	Show cause notice received towards demand of Service Tax availed for 2015-16.	-	1.34
r)	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi.	8.87	8.87
s)	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2011-12	23.39	23.39
t)	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2012-13	23.67	23.67
u)	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2013-14	80.59	80.59
v)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	72.95	72.95
w)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2009-10	-	697.70
x)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2010-11	-	574.79
y)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2012-13	-	77.42
z)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2013-14	-	21.04
aa)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2014-15	25.35	-
ab)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	18.38	-
ac)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	97.68	-
ad)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Final demand after Rectification on 31.07.2017 (Revision Pending)	3.61	-
ae)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification	1.97	-
af)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification	3.73	-
ag)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification	0.52	-
ah)	Haryana Vat Act, 2003	Haryana Tax Tribunal-Rohtak-Appeal pending before the Jt.ETC(A),Rohtak	33.95	-

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

S.No	Name of Statute	Description	As at 31st March 2019	As at 31st March 2018
ai)	Haryana Vat Act, 2003	Demand for sales tax before Dy. Excise & Taxation Commissioner (ST),Sonepat for 2014-15	10.14	-
aj)	Haryana Vat Act, 2003	Demand for sales tax before Jt Excise Excise & Taxation Commissioner, Ambala for 2014-15	55.74	-

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.

2. Besides the above, show cause notices from the various departments have been received by the company, had not been treated as contingent liabilities since the company has represented to the concerned departments and does not expect any liability on this account.

As per our report of even date attached
Sunil Kharabanda
CHARTERED ACCOUNTANTS

Sunil Kharabanda
PROPRIETOR
M.No. : 082402
F.R.N. : 003456N

Place : Noida
Dated : 20.05.2019

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Barik
Chief Financial Officer
M.No. 13243

Independent Auditor's Report

To the Members of
HPL Electric & Power Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HPL ELECTRIC & POWER LIMITED ("the Holding Company") and its subsidiaries listed in Annexure-I (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statement and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2019, its consolidated profit/loss and other comprehensive income, consolidated changes in Equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

The key audit matters	How the matter was addressed in our audit
Revenue recognition – Fixed price development contracts 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. Refer note no 2(I) of the consolidated financial statements	**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.

Adoption of Ind AS 115 – Revenue from Contracts with Customers As described in Note 2(I) to the consolidated financial statements, the Group has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Group adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.	**Principal Audit Procedures** Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include – ➢ Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; ➢ Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams; ➢ Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard; ➢ Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and ➢ Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.
Evaluation of uncertain tax positions The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts - ➢ Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ➢ Assessed management's estimate of the possible outcome of the disputed cases;

Other Information

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 financial statements and our auditors' 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, 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 is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each entity 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and board of director's of the entities included in the Group are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entities.

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 entity 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 entity 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 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 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.

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

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

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

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

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

i. The Group has disclosed pending litigations and the impact on its financial position - refer note 45 to the Consolidated Financial Statements.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the 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 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.

For Kharabanda Associates
Chartered Accountants
FRN: 003456N

Place:-Noida
Date: 20th May 2019

Sunil Kharabanda
Proprietor
M. No. 082402

Annexure I: List of entities consolidated as at 31st March 2019:

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 AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of HPL Electric & Power Limited of even date)

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

We have audited the internal financial controls over financial reporting of **HPL ELECTRIC & POWER LTD.** ('the Holding Company') as of March 31, 2019 in conjunction with our audit of the consolidated Ind AS financial statement of the company and its subsidiaries for the year then ended and as on that date.

Management's Responsibility for the Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiaries internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial Controls Over Financial Reporting (The Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act 2013, to the extant applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal financial controls over financial reporting criteria established by the Holding Company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For **Kharabanda Associates**
Chartered Accountants
FRN:003456N

Sunil Kharabanda
Place: Noida Proprietor
Date: 20th May 2019 M. No: 082402

Consolidated Balance Sheet

as at 31st March 2019

(₹ in Lakhs)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	42,357.03	40,271.97
Intangible assets	4	2,968.08	2,261.53
Capital work in progress		715.07	15.30
Financial assets			
i. Loans	5	262.42	226.11
Deferred tax assets (Net)	6	3,742.75	4,318.63
Other non-current assets	7	1,913.23	2,775.96
		51,958.58	**49,869.50**
Current assets			
Inventories	8	41,407.99	42,373.27
Financial assets			
i. Trade receivables	9	47,131.57	46,738.42
ii. Cash and cash equivalents	10	2,717.12	749.90
iii. Bank balances other than (ii) above	11	3,968.64	6,217.83
iv. Loans	5	41.39	38.83
v. Other financial assets	12	1,464.01	1,486.72
Current tax assets (Net)	13	171.87	310.42
Other current assets	7	3,218.45	4,296.20
		100,121.04	**102,211.59**
		152,079.62	**152,081.09**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	6,430.05	6,430.05
Other equity			
Other equity	15	66,418.35	63,961.15
Equity attributable to equity holders of the parent Company		**72,848.40**	**70,391.20**
Non-controlling interests		151.61	133.28
Total equity		**73,000.01**	**70,524.48**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	2,523.14	2,134.26
ii. Other financial liabilities	20	1,196.57	1,218.58
Provisions	17	898.43	785.33
		4,618.14	**4,138.17**
Current liabilities			
Financial liabilities			
i. Borrowingss	18	49,241.86	45,832.21
ii. Trade payables	19		
a) total outstanding dues of micro enterprises and small enterprises		3,618.25	2,356.70
b) total outstanding dues of creditors other than micro enterprises and small enterprises		17,984.85	26,474.06
iii. Other financial liabilities	20	2,478.71	1,864.55
Other current liabilities	21	469.23	356.24
Provisions	17	668.57	534.68
		74,461.47	**77,418.44**
		152,079.62	**152,081.09**

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached
For **Kharabanda Associates**
Chartered Accountants

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Place : Noida
Dated : 20.05.2019

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Kumar Barik
Chief Financial Officer
M.No. 13243

Consolidated Statement of profit and loss

for the year ended 31st March 2019

(₹ in Lakhs)

	Particulars	Notes	Year ended 31st March 2019	Year ended 31st March, 2018
	Income:			
I.	Revenue from operations (Gross)	22	115,847.46	106,135.62
II.	Other income	23	470.27	442.78
III.	**Total income (I + II)**		**116,317.73**	**106,578.40**
IV.	**Expenses:**			
	Cost of materials consumed	24	76,718.75	70,715.98
	Changes in inventories of finished goods, work-in-progress	25	(752.07)	(2,449.62)
	Excise duty		-	2,504.20
	Employee benefits expense	26	13,781.37	13,126.43
	Finance cost	27	5,814.67	5,101.83
	Depreciation and amortization expenses	28	3,203.65	2,279.04
	Other expenses	29	12,747.34	11,251.62
	Total expenses		**111,513.71**	**102,529.48**
V.	**Profit before tax (III-IV)**		**4,804.02**	**4,048.92**
VI.	**Tax expense:**			
	(1) Current tax	30	1,035.87	903.49
	(2) Deferred tax	30	496.94	387.67
VII.	**Profit for the year (V-VI)**		**3,271.21**	**2,757.76**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(31.34)	(2.08)
	Income tax relating to these items		10.85	0.72
	Other comprehensive income for the year, net of tax		**(20.49)**	**(1.36)**
VIII.	**Total comprehensive income for the year, net of tax**		**3,250.72**	**2,756.40**
	Profit for the year attributable to			
	Equity shareholders of parent company		3,252.89	2,742.87
	Non controlling interests		18.32	14.89
			3,271.21	**2,757.76**
	Total comperhensive income for the year attributable to			
	Equity shareholders of parent company		3,232.39	2,741.52
	Non controlling interests		18.33	14.88
			3,250.72	**2,756.40**
IX.	Earnings per equity share of ₹10/- each	31		
	(1) Basic		5.06	4.27
	(2) Diluted		5.06	4.27

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached
For **Kharabanda Associates**
Chartered Accountants

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Kumar Barik
Chief Financial Officer
M.No. 13243

Place : Noida
Dated : 20.05.2019

Consolidated Cash Flow Statement

for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
A. Cash flow from operating activities		
Net profit/ (loss) before tax	4,804.02	4,048.92
Adjustments for :		
- Depreciation and amortisation expenses	3,203.65	2,279.04
- Finance expenses	5,814.67	5,101.83
- Interest income	(449.40)	(425.12)
- Provision for expected credit loss	-	100.58
- Loss / (profit) on sale of fixed assets	30.66	16.59
Operating profit before working capital changes	**13,403.60**	**11,121.84**
Adjustments for :		
Decrease/(increase) in trade receivables	(393.15)	79.26
Decrease/(increase) in other financial and non-financial assets	1,338.35	(849.21)
Decrease/(increase) in inventories	965.28	(4,615.33)
(Decrease)/increase in trade payables	(7,227.66)	2,317.30
(Decrease)/increase in other financial, non financial liabillities and provisions	1,030.79	(4,844.80)
Cash generated from operations	9,117.21	3,209.06
- Taxes paid (net of refunds)	(807.54)	(1,167.78)
Net cash from operating activities	**8,309.67**	**2,041.28**
B. Cash flow from investing activities		
- Purchase of property, plant & equipment and intangible assets	(5,452.98)	(6,290.15)
- (increase)/ decrease in capital work in progress	(699.77)	(15.30)
- Proceeds from Sale of property, plant and equipments	49.36	22.70
- Secuity Deoposits (Paid)/Received	(36.31)	(5.21)
- Interest income received	449.40	425.12
Net cash used in investing activities	**(5,690.30)**	**(5,862.84)**
C. Cash flow from financing activities		
- Proceeds from working capital loan (net)	3,409.65	9,575.27
- Proceeds from secured long term loan (net)	278.88	732.87
- Finance expenses	(5,814.67)	(5,101.83)
- Dividends paid on equity shares	(643.00)	(964.51)
- Tax on dividends paid on equity shares	(132.20)	(196.35)
Net cash used in financing activities	**(2,901.34)**	**4,045.46**
Net changes in cash & cash equivalents (a+b+c)	(281.97)	223.90
Cash & cash equivalents at the beginning of the year	6,967.73	6,743.83
Cash & cash equivalents at the end of the year	6,685.76	6,967.73

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached
For **Kharabanda Associates**
Chartered Accountants

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Kumar Barik
Chief Financial Officer
M.No. 13243

Place : Noida
Dated : 20.05.2019

Consolidated Statement of changes in equity for the year ended 31st March 2019

I) Equity Share Capital

(₹ in Lakhs)

Particulars	Notes	Amounts
Balance as at 1st April 2017		**6,430.05**
Changes during the year	14	-
Balance as at 31st March 2018		**6,430.05**
Changes during the year	14	-
Balance as at 31st March 2019		**6,430.05**

II) Other equity

(₹ in Lakhs)

Particulars	Notes	Security premium	Capital reserve	General reserve	Retained earnings	Total
Balance as at 1st April 2017	15	36,601.35	(1,933.84)	3,788.31	23,924.68	62,380.50
Profit for the year		-		-	2,742.87	2,742.87
Other comprehensive income		-		-	(1.36)	(1.36)
Total comprehensive income		-	-	-	2,741.51	2,741.51
Transaction with owners in their capacity as owners:						
Proposed Dividend					(964.50)	(964.50)
Tax on Proposed Dividend					(196.36)	(196.36)
Balance as at 31st March 2018		**36,601.35**	**(1,933.84)**	**3,788.31**	**25,505.33**	**63,961.15**
Profit for the year		-		-	3,252.89	3,252.89
Other comprehensive income					(20.49)	(20.49)
Total comprehensive income		-		-	3,232.40	3,232.40
Transaction with owners in their capacity as owners:						
Proposed Dividend		-		-	(643.00)	(643.00)
Tax on Proposed Dividend		-		-	(132.20)	(132.20)
Balance as at 31st March 2019		**36,601.35**	**(1,933.84)**	**3,788.31**	**27,962.53**	**66,418.35**

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached
For **Kharabanda Associates**
Chartered Accountants

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Sunil Kharabanda
Proprietor
M.No. : 082402
F.R.N. : 003456N

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Kumar Barik
Chief Financial Officer
M.No. 13243

Place : Noida
Dated : 20.05.2019

Notes to Accounts

forming part of the Financial Statements as on March 31, 2019

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 20, 2019.

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.

C) 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) 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.

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

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

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

N) 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.

O) 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.

P) 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.

Q) 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 Group 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.

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 Group 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) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116- Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognize a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

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

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Y) 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 to Accounts forming part of the Financial Statements as on March 31, 2019

3 Property, plant and equipment

(₹ in Lakhs)

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As at 1st April 2018	Additions	Deletion / Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Deletion / Adjustment	As at 31st March 2019	As at 31st March 2019	
1	Freehold Land	14,254.00	-	-	14,254.00	-	-	-	-	14,254.00
2	Building	9,348.71	10.56	-	9,359.27	545.27	277.11	-	822.38	8,536.89
3	Plant & Machinery *	18,995.27	4,592.05	(107.10)	23,480.22	2,454.20	2,208.51	(12.83)	4,649.88	18,830.34
4	Furniture & Fittings	301.81	21.29	(0.85)	322.25	62.24	35.72	(0.07)	97.89	224.36
5	Office Equipment	124.04	14.66	-	138.70	46.36	17.55	-	63.91	74.79
6	Vehicles	474.78	174.00	(67.48)	581.30	119.22	63.26	(37.31)	145.17	436.13
7	Computers	0.86	-	-	0.86	0.21	0.13	-	0.34	0.52
	TOTAL	**43,499.47**	**4,812.56**	**(175.43)**	**48,136.60**	**3,227.50**	**2,602.28**	**(50.21)**	**5,779.57**	**42,357.03**

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As at 1st April 2017	Additions	Deletion / Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Deletion / Adjustment	As at 31st March 2018	As at 31st March 2018	
1	Freehold Land	14,254.00	-	-	14,254.00	-	-	-	-	14,254.00
2	Building	9,261.66	87.05	-	9,348.71	276.64	268.63	-	545.27	8,803.44
3	Plant & Machinery *	14,776.58	4,222.33	(3.64)	18,995.27	1,089.02	1,367.53	(2.35)	2,454.20	16,541.07
4	Furniture & Fittings	230.71	71.10	-	301.81	25.65	36.59	-	62.24	239.57
5	Office Equipment	93.95	34.37	(4.28)	124.04	22.68	23.69	(0.01)	46.36	77.68
6	Vehicles	347.55	168.13	(40.90)	474.78	50.71	75.68	(7.17)	119.22	355.56
7	Computers	0.86	-	-	0.86	0.08	0.13	-	0.21	0.65
	TOTAL	**38,965.31**	**4,582.98**	**(48.82)**	**43,499.47**	**1,464.78**	**1,772.25**	**(9.53)**	**3,227.50**	**40,271.97**

i) Refer to note 18 for information on property, plant and equipment pledged as security by the Company.
ii) Capital work-in-progress mainly comprises of building being constructed.

4 Intangible assets

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As at 1st April 2018	Additions	Deletion / Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Deletion / Adjustment	As at 31st March 2019	As at 31st March 2019	
1	Software & Designs	3,707.72	1,307.92	-	5,015.64	1,446.19	601.37	-	2,047.56	2,968.08
	TOTAL	**3,707.72**	**1,307.92**	**-**	**5,015.64**	**1,446.19**	**601.37**	**-**	**2,047.56**	**2,968.08**

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As at 1st April 2017	Additions	Deletion / Adjustment	As at 31st March 2018	Aa at 1st April 2017	For the year	Deletion / Adjustment	As at 31st March 2018	As at 31st March 2018	
1	Software & Designs	3,305.96	401.76	-	3,707.72	939.40	506.80	-	1,446.19	2,261.53
	TOTAL	**3,305.96**	**401.76**	**-**	**3,707.72**	**939.40**	**506.80**	**-**	**1,446.19**	**2,261.53**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

5 Loans

(Unsecured, considered good)

Particulars	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Security Deposits	262.42	226.11	41.39	38.83
Total	**262.42**	**226.11**	**41.39**	**38.83**

6 Deferred tax assets

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
The balance comprises temporary differences attributable to:	-	-
Provision for employee benefits	382.75	251.83
Provision for warranties	174.69	204.59
Provision for doubtful debts	1,061.06	1,440.65
Property, plant and equipment	(2,320.27)	(1,611.33)
Others	779.55	779.55
MAT credit	3,664.97	3,253.34
Total deferred tax assets	**3,742.75**	**4,318.63**

Movement in deferred tax assets

(₹ in Lakhs)

Particulars	Provision for employee benefits	Provision for warranties	Provision for doubtful debts	Total
At 1st April 2017	**271.86**	**203.49**	**1,405.84**	**1,881.19**
(Charged)/credited:				
- to profit or loss	(20.45)	1.09	34.81	15.45
- to other comprehensive income	0.42	-	-	0.42
At 31st March 2018	**251.83**	**204.58**	**1,440.65**	**1,897.06**
(Charged)/credited:				
- to profit or losss	141.77	(29.89)	(379.59)	(267.71)
- to other comprehensive incomes	(10.85)	-	-	(10.85)
At 31st March 2019	**382.75**	**174.69**	**1,061.06**	**1,618.50**

Particulars	Property, plant and equipment	Others	Total
At 1st April 2017	**(831.58)**	**962.32**	**130.74**
(Charged)/credited:			
- to profit or loss	(779.74)	(182.77)	(962.51)
- to other comprehensive income	-	-	-
At 31st March 2018	**(1,611.32)**	**779.55**	**(831.77)**
(Charged)/credited:			
- to profit or losss	(708.95)	-	(708.95)
- to other comprehensive incomes	-	-	-
At 31st March 2019	**(2,320.27)**	**779.55**	**(1,540.72)**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

7 Other assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital advances*	783.11	1,405.41	-	-
Receivable on deferred basis to related parties**	1,122.13	1,358.53	-	-
Prepaid Expenses	7.99	12.02	245.82	437.35
Balance with government authorities	-	-	843.65	2,261.80
Other Advances	-	-	753.19	771.38
Advance to Suppliers	-	-	1,368.59	817.25
Duty Drawback Recoverable	-	-	7.20	8.42
Total	**1,913.23**	**2,775.96**	**3,218.45**	**4,296.20**

*includes from related party ₹ 683.11/- Lakhs where directors are interested (PY: ₹ 1,305.41/- Lakhs)

**includes from related party ₹ 1,122.13/- Lakhs where directors are interested (PY: ₹ 1,358.53/- Lakhs)

8 Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
a. Raw Materials and components		
(i) Raw materials	17,091.85	18,530.51
(ii) Material-in-transit	203.43	491.86
b. Work-in-progress	14,001.27	16,477.39
c. Finished goods	10,066.01	6,837.80
d. Stores and spares	45.43	35.71
Total	**41,407.99**	**42,373.27**

9 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(i) Considered good*	47,131.57	46,738.42
(ii) Considered doubtful	3,100.27	4,186.73
	50,231.84	**50,925.15**
Less: Provision for doubtful receivables	(3,100.27)	(4,186.73)
Total	**47,131.57**	**46,738.42**

(Trade Receivables include outstanding for a period exceeding six months from the date they became due for payment ₹ Nil (P.Y.₹ Nil)

* includes from companies where directors are interested ₹ 467.00/- Lakhs (P.Y. ₹ 1,249.69/- Lakhs) Refer note no.38

10 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and Cash equivalents		
Balances with banks	2,650.21	685.61
Cash on hand	66.91	64.29
	2,717.12	**749.90**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

11 Other Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with Banks held as Margin Money	3,968.64	6,217.83
Total	**3,968.64**	**6,217.83**

12 Other financial assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2019	As at 31st March 2018
Earnest money deposit	1,202.77	1,333.24
Insurance claim Recoverable	54.00	153.48
Contract Asset Recoverable	207.24	-
Total	**1,464.01**	**1,486.72**

13 Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance Income Tax (net of Provision for Taxation)	171.87	310.42
Total	**171.87**	**310.42**

14 Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(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 2018; 64,300,486 Equity Shares of ₹ 10/- each fully paid up)	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 2019		As at 31st March 2018	
	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.

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(e) Shareholders holding more than 5% shares in the Company :-

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	7,809,598	12.15	7,703,098	11.98
HPL India Ltd.	17,573,238	27.33	11,738,238	18.26
Havell's Electronics Pvt. Ltd	11,652,130	18.12	11,652,130	18.12
HPL Project Portfolio Pvt Ltd*	-	-	5,625,000	8.75
HDFC Trustee Co Ltd A/c HDFC Housing Opportunities	3,877,376	6.03	3,877,376	6.03

*HPL Project portfolio Pvt Ltd has merged with HPL India Limited vide Order No NCLT/Estt./Chd 1449 dated 7th August 2018 of Hon'ble NCLT Chandigarh Bench.

(f) Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:

Equity shares allotted as fully paid up bonus shares by capitalsation of securities premium account:-

(₹ in Lakhs)

Particulars	No. of shares Face value ₹ 10/-
2015-16	278.58
2016-17	-
2017-18	-
2018-19	-

15 Other equity

(₹ in Lakhs)

(a) Securities Premium	As at 31st March 2019	As at 31st March 2018
Opening Balance	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) Capital reserve	As at 31st March 2019	As at 31st March 2018
Opening Balance	(1,933.84)	(1,933.84)
Add/less : Change during the year	-	-
Total	**(1,933.84)**	**(1,933.84)**

(₹ in Lakhs)

(c) General Reserve	As at 31st March 2019	As at 31st March 2018
Opening Balance	3,788.31	3,788.31
(+) Current Year Transfer	-	-
Closing Balance	**3,788.31**	**3,788.31**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(₹ in Lakhs)

(d) Retained earnings	As at 31st March 2019	As at 31st March 2018
Opening balance	25,505.33	23,924.68
(+) Net Profit/(Loss) For the current year	3,252.89	2,742.87
(-) Dividend on Equity Shares	643.00	964.50
(-) Tax on Dividend	132.20	196.36
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post-employment benefit obligation, net of tax	(20.49)	(1.36)
Closing Balance	27,962.53	25,505.33
Total other equity (a+b+c+d)	**66,418.35**	**63,961.15**

16 Borrowings

(₹ in Lakhs)

Particulars	Non-Current		Current Maturities	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Secured				
Term loan from banks (refer note 18)*	136.36	681.82	545.45	545.45
Vehicle loans - from banks**	108.19	77.44	60.52	62.88
11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares	1,485.00	1,375.00	-	-
-Secured Loans				
- From Banks	793.59	-	250.00	-
Total	**2,523.14**	**2,134.26**	**855.97**	**608.33**

*The term loan is secured as per the note given in note 18 and rate of interest on term loan is linked with 1 year MCLR + spread of 0.90% p.a. The loan is repayable in 11 equal quarterly installments, starting from 31st December, 2017 and have maturity date of 30th June, 2020.

** Vehicles loans are secured against hypothecation of respective vehicles and are repayable in maximum 60 instalments and last date of installment is April. 2023. The loan carries an interest rate @ 9.10% pa.

17 Provisions

(₹ in Lakhs)

Particulars	Long-term		Short-term	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
(a) Provision for employee benefits				
Gratuity	517.78	421.81	25.06	39.01
Leave Encashment	-	-	518.57	268.02
	517.78	**421.81**	**543.63**	**307.03**
(b) Other Provisions				
Proposed Equity Dividend	-	-	-	-
Provision for tax on Proposed Dividend	-	-	-	-
Provision for Warranties	380.65	363.52	124.94	227.65
	380.65	**363.52**	**124.94**	**227.65**
Total	**898.43**	**785.33**	**668.57**	**534.68**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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	Amount
As at 1st April 2017	**588.01**
Charged/(credited) to profit or loss	
- additional provisions recognised	299.98
- unwinding of discount	17.60
Amounts used during the year	(314.42)
As at 31st March 2018	**591.17**
Charged/(credited) to profit or loss	
- additional provisions recognised	168.08
- unwinding of discount	24.06
Amounts used during the year	(277.72)
As at 31st March 2019	**505.59**

18 Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Loans repayable on demand		
-Secured Loans		
- From Banks	49,241.86	35,832.21
-Unsecured Loans		
- Commercial paper (refer note 42)	-	10,000.00
Total	**49,241.86**	**45,832.21**

Working capital facilities are availed from consortium of banks led by State Bank of India. The lead bank has linked its interest rate with 1 year MCLR + spread of 0.95% p.a. and these working capital facilities are repayable on demand.'Working capital facilities (fund based and non fund based) are secured by way of first pari-passu charge over entire current assets of the company including stocks and receivables both present and future and first charge on pari-passu basis over Company's entire fixed assets. Term lenders will also have first pari-passu charge on fixed assets and 2nd pari passu charge on current assets to the extent of Rs. 65 Crores. Working capital facilities 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 2019	As at 31st March 2018
Cash and cash equivalentss	6,685.76	6,967.73
Long term borrowingss	(2,523.14)	(2,134.26)
Short term borrowingss	(49,241.86)	(45,832.21)
Net debt	**(45,079.24)**	**(40,998.74)**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(₹ in Lakhs)

Particulars	Cash and cash equivalents	Long term Borrowings	Current Borrowings	Total
Net debt as at 1st April 2017	**6,743.83**	**(1,291.39)**	**(36,256.94)**	**(30,804.50)**
Cash flows	223.90	-	-	223.90
Proceeds from working capital loan	-	-	(9,575.27)	(9,575.27)
Proceeds of secured long term loan	-	(732.87)	-	(732.87)
Interest accrued	-	(110.00)	-	(110.00)
Net debt as at 31st March 2018	**6,967.73**	**(2,134.26)**	**(45,832.21)**	**(40,998.74)**
Cash flowss	(281.97)	-	-	(281.97)
Proceeds from working capital loan	-	-	(3,409.65)	(3,409.65)
Repayment of secured long term loan	-	(278.88)	-	(278.88)
Interest accrued	-	(110.00)	-	(110.00)
Net debt as at 31st March 2019	**6,685.76**	**(2,523.14)**	**(49,241.86)**	**(45,079.24)**

Utilised amount of bank guarantees (performance and bid bonds) as at 31st March 2019 : 42,265.84/- Lakhs (PY 40,066.66/- lakhs)

19 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Payables		
(a) Due to Micro and Small Enterprises under MSMED Act, 2006* (Refer note 35)	3,618.25	2,356.70
(b) Others	17,984.85	26,474.06
Total	**21,603.10**	**28,830.76**

20 Other financial liabilities

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Current maturities of long-term debt	-	-	855.97	608.33
Expenses Payable	-	-	328.66	483.70
Interest Accrued but not due	-	-	55.75	28.40
Employee Benefits Payable	-	-	1,238.33	744.12
Security deposit received	1,196.57	1,218.58	-	-
Factoring of debtors	-	-	-	-
Total	**1,196.57**	**1,218.58**	**2,478.71**	**1,864.55**

21 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Statutory dues payable	466.91	355.04
Unpaid Dividend	2.32	1.20
Total	**469.23**	**356.24**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

22 Revenue from operation

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Sale of Products		
Finished Goods	115,847.46	106,135.62
Total	**115,847.46**	**106,135.62**

Particulars of Sale of products (gross)

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Finished goods		
Metering	60,961.53	53,692.41
Switch Gears	22,698.59	19,963.81
Lighting & Electronics	21,172.95	18,649.21
Cables	10,977.79	13,752.61
Project	36.60	77.58
Total	**115,847.46**	**106,135.62**

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Net sales/Revenue from operations (Net of excise duty)	115,847.46	103,631.42

23 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Interest income from financial assets at amortised cost	449.40	425.12
Others	0.43	0.31
Other non-operating income	20.44	17.35
Total	**470.27**	**442.78**

24 Particulars of Raw Materials Consumed

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Copper	9,250.96	10,919.95
Electronic Components	47,597.92	44,704.66
Engineering Plastic	9,678.07	8,435.96
Packing	1,431.24	1,283.30
Others	8,760.56	5,372.11
Total	**76,718.75**	**70,715.98**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

25 Changes in Inventories of Finished Goods and Work-in-Progress and Stock-in- Trade

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Inventories (at close)		
Finished Goods	10,066.01	6,837.80
Work-in-Progress	13,975.10	16,451.24
	24,041.11	**23,289.04**
Inventories (at commencement)		
Finished Goods	6,837.80	11,268.49
Work-in-Progress	16,451.24	9,570.93
	23,289.04	**20,839.42**
Total	**(752.07)**	**(2,449.62)**

26 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Salaries and wages	13,191.83	11,988.12
Contribution to provident and other funds	313.38	310.65
Staff welfare expenses	276.16	827.66
Total	**13,781.37**	**13,126.43**

27 Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Interest Expenses	4,903.53	4,199.34
Other borrowing costs- Bank Charges	801.14	792.49
Interest expense on financial liabilities measured at amortized cost	110.00	110.00
Total	**5,814.67**	**5,101.83**

28 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Depreciation on property, plant and equipment	2,602.28	1,772.24
Amortisation of intangible assets	601.37	506.80
Total	**3,203.65**	**2,279.04**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

29 Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Power and Fuel	1,184.27	1,161.31
Job Work Charges	159.53	170.55
Rent	477.24	568.81
Repairs to Buildings	21.96	33.56
Repairs to Machinery	200.13	256.98
Repairs & Maintenance (Others)	383.50	415.26
Research & Development Expenses	777.47	780.53
Installation Expenses	510.01	514.63
Testing Expenses	369.91	394.36
Rates and taxes excluding taxes on income	246.95	158.87
Legal & Professional Expenses	600.12	625.43
Travelling & Conveyance	1,619.11	1,620.45
Communication Expenses	191.16	283.85
Printing & Stationery	76.95	69.34
Insurance	161.25	100.55
Membership & Subscription	26.64	11.20
Commision on sales	1,489.09	1,020.40
Provision for expected credit loss	52.88	100.58
Advertisement and business promotion	3,026.83	1,503.03
Freight Outward	935.68	1,040.88
Product Warranties	168.08	299.97
Loss on sale of Fixed Assets	30.66	16.59
Donation	0.89	0.48
Auditors remuneration	19.05	17.05
Contribution towards Corporate Social Responsibility	17.32	82.82
Miscellaneous Expenses	0.66	4.14
Total	**12,747.34**	**11,251.62**

29(a) Auditor's Remuneration

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Audit Fees	17.40	15.90
Tax Audit Fees	1.65	1.15

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

29(b) Research & Development Expenditure :-

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
(i) Capital Expenditure	10.54	66.57
	10.54	**66.57**
(ii) Revenue Expenditure		
a) Employee Cost	713.63	721.83
b) Staff Welfare	0.05	0.08
c) Purchase of Raw Materials	24.56	31.95
d) Electricity Expenses	4.42	6.09
e) Communication Expenses	1.81	5.27
f) Travelling & Conveyance	20.74	8.87
g) Repair & Maintenance	10.63	6.41
h) Sample Testing	1.63	0.03
	777.47	**780.53**
Total	**788.01**	**847.10**

29(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. The Company has contributed a sum of Rs. 10/- lakhs to a Trust named as Seth Inder Narain Foundation, for carrying out the activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

Details of CSR Expenditure	Year ended 31st March 2019	Year ended 31st March, 2018
a) Gross amount required to be spent by the Company during the year	85.73	103.50
b) Amount spent during year ended 31st March 2019		
Contribution/acquisition of an asset	-	-
Contribution to other purpose other than above	17.32	82.82
Total	**17.32**	**82.82**

30 Income tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Current tax		
Current tax on profits for the year	1,035.87	903.49
Total current tax expense	**1,035.87**	**903.49**
Deferred tax		
Deferred tax expense/(income) for the period	998.34	947.36
MAT credit entitlement	(501.40)	(559.69)
Total deferred tax expense/(benefit)	**496.94**	**387.67**
Income tax expense	**1,532.81**	**1,291.16**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(a) Reconciliation of tax expense and the accounting profit	Year ended 31st March 2019	Year ended 31st March, 2018
Profit before income tax expense	4,804.02	4,048.92
Tax at the Indian tax rate of 34.944% (31st March 2018 – 34.608%)	1,615.04	1,405.22
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	5.21	28.36
Research & development expenses	(141.36)	(146.58)
Interest due on preference shares	30.60	-
Other items	23.32	4.16
Income tax expense	**1,532.81**	**1,291.16**

31 Earnings per share

₹ in Lakhs except EPS

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
(i) Profit after tax	3,252.89	2,742.87
(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)	5.06	4.27
(vi) Earning Per Share (Dilutive)	5.06	4.27

32 Fair value measurements

Financial instruments by category

(₹ in Lakhs)

	As at 31st March 2019		As at 31st March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	47,131.57	-	46,738.42
Loans	-	303.81	-	264.94
Cash and Bank Balances	-	6,685.76	-	6,967.73
Other Financial Assets	-	1,464.01	-	1,486.72
Total financial assets	**-**	**55,585.15**	**-**	**55,457.81**
Financial liabilities				
Borrowings	-	51,765.00	-	47,966.47
Trade payables	-	21,603.10	-	28,830.76
Other Financial Liabilities	-	3,675.28	-	3,083.13
Total financial liabilities	**-**	**77,043.38**	**-**	**79,880.36**

(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 to Accounts forming part of the Financial Statements as on March 31, 2019

Assets and liabilities which are measured at amortised cost

(₹ in Lakhs)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Trade receivables	-	-	47,131.57	47,131.57
Loans	-	-	303.81	303.81
Cash and bank balances	-	-	6,685.76	6,685.76
Other financial assets	-	-	1,464.01	1,464.01
Total financial assets	**-**	**-**	**55,585.15**	**55,585.15**
Financial liabilities				
Borrowings	-	-	51,765.00	51,765.00
Trade payables	-	-	21,603.10	21,603.10
Other financial liabilities	-	-	3,675.28	3,675.28
Total financial liabilities	**-**	**-**	**77,043.38**	**77,043.38**
As at March 31, 2018				
Financial assets				
Trade receivables	-	-	46,738.42	46,738.42
Loans	-	-	264.94	264.94
Cash and bank balances	-	-	6,967.73	6,967.73
Other financial assets	-	-	1,486.72	1,486.72
Total financial assets	**-**	**-**	**55,457.81**	**55,457.81**
Financial liabilities				
Borrowings	-	-	47,966.47	47,966.47
Trade payables	-	-	28,830.76	28,830.76
Other financial liabilities	-	-	3,083.13	3,083.13
Total financial liabilities	**-**	**-**	**79,880.36**	**79,880.36**

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 2019 and 31st March 2018 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.

33 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 to Accounts forming part of the Financial Statements as on March 31, 2019

(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, 2019:

Movement in ECL on trade receivable:

(₹ in Lakhs)

Particulars	31st March 2019	31st March, 2018
At the beginning of year	4,186.73	4,086.73
Provision during the year	52.88	100.58
Bad debts written off	(1,139.34)	(0.58)
Reversal/adjustment of provision	-	-
Total ECL	**3,100.27**	**4,186.73**

(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 2019			
Borrowings	49,241.86	2,523.14	51,765.00
Trade payables	21,603.10	-	21,603.10
Other financial liabilities	2,478.71	1,196.57	3,675.28
Total	**73,323.67**	**3,719.71**	**77,043.38**
31st March 2018			
Borrowings	45,832.21	2,134.26	47,966.47
Trade payables	28,830.76	-	28,830.76
Other financial liabilities	1,864.55	1,218.58	3,083.13
Total	**76,527.52**	**3,352.84**	**79,880.36**

(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 2019. 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 2019.

(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:

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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 2019	31st March, 2018
Interest rate (increase by 100 basis points)*	(517.65)	(479.66)
Interest rate (decrease by 100 basis points)*	517.65	479.66

* 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)

	As at 31st March 2019		As at 31st March 2018	
	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Trade receivables				
United States Dollar (USD)	5.97	412.82	0.65	42.17
Euro (EUR)	0.06	4.77	-	-
Great Britain Pound (GBP)	0.57	51.34	-	-
Net exposure to foreign currency risk (assets)		**468.93**		**42.17**
Trade payables				
United States Dollar (USD)	76.38	5,283.58	115.44	7,471.17
Euro (EUR)	0.02	1.32	0.01	0.40
RMB	-	-	8.33	85.34
Net exposure to foreign currency risk (liabilities)		**5,284.90**		**7,556.91**

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 ₹ 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 2019	31st March, 2018
USD sensitivity		
INR/USD - Increase by 1%*	(48.71)	(74.29)
INR/USD - Decrease by 1%*	48.71	74.29
EUR sensitivity		
INR/EUR - Increase by 1%*	0.03	(0.004)
INR/EUR - Decrease by 1%*	(0.03)	0.004
CNY sensitivity		
INR/USD - Increase by 1%*	-	(0.85)
INR/USD - Decrease by 1%*	-	0.85
GBP sensitivity		
INR/GBP - Increase by 1%*	0.51	-
INR/GBP - Decrease by 1%*	(0.51)	-

* Holding other variables constant

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

34 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 2019, 31st March 2018.

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)

	31st March 2019	31st March 2018
Borrowings	51,765.00	47,966.47
Cash and Bank Balances	(6,685.76)	(6,967.73)
Net debt	**45,079.24**	**40,998.74**
Equity	73,000.01	70,524.48
Net debt to equity ratio	61.75%	58.13%

(b) Dividends

(₹ in Lakhs)

	31st March, 2019	31st March, 2018
(i) Equity shares		
Final dividend for the year ended 31st March 2018 of INR 1.00	643.00	964.50
(31 March 2017 – INR 1.50) per fully paid share		
DDT on final dividend	132.20	196.36

(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 ₹ 0.20 (2%) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

35 The disclosure pursuant to Micro, Small & Medium Enterprises Act 2006, are as under:

a) Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending 31st March, 2019 ₹ 3,618.25/- Lakhs (P.Y. ₹ 2356.70/- 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, 2019 – 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, 2019 – Nil (P.Y. Nil)

e) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

36 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 :

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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 2019	As at 31st March 2018
Employer's contribution to Provident Fund	258.22	263.85
Employer's contribution to ESI	56.82	44.18
Employer's contribution to Welfare Fund	2.04	2.62
Total	**317.08**	**310.65**

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 2019	As at 31st March 2018
Defined Benefit obligation at beginning of the year	460.82	344.46
Current Service Cost	88.59	90.48
Past Service Cost	-	61.16
Interest Cost	35.71	26.70
Benefits paid	(73.62)	(64.06)
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	-	(19.98)
Actuarial changes arising from changes in experience adjustments	31.34	22.06
Defined Benefit obligation at end of the year	**542.84**	**460.82**

Net defined benefit asset/ (liability) recognised in the balance sheet

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Present value of defined benefit obligation	542.84	460.82
Amount recognised in Balance Sheet- Asset / (Liability)	**542.84**	**460.82**

ii) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Current Service Cost	88.59	90.48
Past Service Cost	-	61.16
Interest Cost	35.71	26.70
Net defined benefit expense debited to statement of profit and loss	**124.30**	**178.34**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

iii) Remeasurement of (Gain)/loss recognised in other comprehensive income

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	(19.98)
Actuarial changes arising from changes in experience adjustments	31.34	22.06
Recognised in other comprehensive income	31.34	2.08

iv) Principal assumptions used in determining defined benefit obligation

Discount Rate	7.75% p.a.	7.5% p.a.
Rate of escalation in salary(per annum)	5% p.a	5% p.a
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	2- 5% p.a.	2- 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 2019	As at 31st March 2018
Discount Rate		
Increase by 1%	490.15	420.63
Decrease by 1%	604.63	508.07
Salary Increase		
Increase by 1%	605.75	508.01
Decrease by 1%	488.40	420.16
Attrition Rate		
Increase by 1%	554.60	468.78
Decrease by 1%	529.21	451.34

vi) **Maturity profile of defined benefit obligation (undiscounted)**

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Within the next 12 months (next annual reporting period)	25.05	68.01
Between 2 and 5 years	133.59	106.21
Between 5 and 10 years	592.55	458.13
Total expected payments	**751.19**	**632.35**

vii) The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (31st March 2018: 14 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 to Accounts forming part of the Financial Statements as on March 31, 2019

ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

37 Segment Reporting

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 four reportable segments viz Metering,Switchgear, Lighting & Electronics and cables 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	Year ended 31st March 2019	Year ended 31st March 2018
	Segment Revenue (Gross)		
	Metering	60,961.53	53,692.41
	Switchgear	22,698.59	19,963.81
	Lighting & Electronics	21,172.95	18,649.21
	Cables	10,977.79	13,752.61
	Projects	36.60	77.58
		115,847.46	**106,135.62**
(B)	**Results**		
	Segment Results		
	Metering	9,182.43	8,191.23
	Switchgear	4,292.29	3,519.94
	Lighting & Electronics	2,405.48	2,131.38
	Cables	477.70	798.75
	Projects	(36.78)	35.53
		16,321.12	**14,676.83**
	Unallocated expenses net of income	5,702.43	5,526.08
	Operating Profit	10,618.69	9,150.75
	Interest Expenses	5,814.67	5,101.83
	Profit before tax	4,804.02	4,048.92
	Tax Expenses	1,532.81	1,291.16
	Profit after tax	**3,271.21**	**2,757.76**
(C)	**Other Information**		
	Segment Assets		
	Metering	65,030.50	69,412.55
	Switchgear	37,526.05	38,110.76
	Lighting & Electronics	25,737.02	24,919.89
	Cables	18,471.60	13,380.35
	Projects	479.97	761.04
	Unallocated	4,834.48	5,496.50

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(A) Revenue	Year ended 31st March 2019	Year ended 31st March 2018
	152,079.62	**152,081.09**
Segment Liabilities		
Metering	17,330.39	21,184.96
Switchgear	9,418.97	9,059.89
Lighting & Electronics	1,095.08	1,457.70
Cables	841.03	3,134.84
Projects	114.14	127.76
Unallocated	50,280.00	46,591.46
	79,079.61	**81,556.61**
Capital Expenditure		
Metering	3,268.61	3,261.65
Switchgear	2,699.43	1,193.46
Lighting & Electronics	7.57	332.77
Cables	144.87	196.86
	6,120.48	**4,984.74**
Depreciation		
Metering	1,696.22	1,079.60
Switchgear	1,189.79	962.34
Lighting & Electronics	137.53	71.07
Cables	180.11	166.03
	3,203.65	**2,279.04**
Segment Revenue		
The following is the distribution of Company's revenue by geographical market :-		
Domestic Market	113,529.50	104,211.61
Overseas Market	2,317.96	1,924.01
	115,847.46	**106,135.62**

38 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. C.P.Jain
(5) Mr. Vinod Ratan (up to 20.01.2019)
(6) Mr. Sudhir Kumar Barik
(7) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth
(2) Mrs. Pooja Seth
(3) Mrs. Vani Seth

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(ii) Key management personnel compensation

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Short-term employee benefits	991.16	1,022.11
Dividend paid during the year	122.05	183.06
Total Compensation	**1,113.21**	**1,205.17**

(iii) Details of tranactions with Related Parties:- (₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Purchase of goods		
1. Havells Private Limited	12.00	1,376.02
2. Amrex Pvt Ltd.	5.06	-
Purchase of services		
1. HPL India Ltd	210.00	-
Sale of goods		
1. Amerex Pvt. Ltd.	25.22	73.52
2. Havells Private Limited	-	1,614.21
3. HPL India Ltd	-	649.05
Sale of services		
1. HPL India Ltd	321.00	-
2. Havells Private Limited	45.62	-
Purchase of Design		
1 HPL India Ltd	1,308.00	400.00
Dividend paid to related parties		
1. Amerex India Pvt. Ltd.**	-	3.15
2. Havells Electronics Pvt. Ltd	116.52	174.78
3. Havells Pvt. Ltd	28.43	42.64
4. HPL India Ltd	175.73	176.07
5. Jesons impex Pvt Ltd	0.24	0.36
6. HPL Projects Portfolio Pvt. Ltd**	-	84.38
Transaction with Key Managerial Person Managerial Remuneration		
1. Managerial Remuneration	991.16	1,022.11
2. Dividend Paid	122.05	183.06
3. Rent Paid	18.00	62.10
4. Director sitting fees	17.70	11.10
CSR Contribution		
1. Seth Inder Narain Trust	10.00	80.90
Transaction with relatives of Key Managerial Person		
1. Rent paid	18.00	35.70
2. Remuneration paid	-	80.65
3. Dividend Paid	21.33	32.00

**Being erstwhile HPL Project portfolio Pvt Ltd was merged with HPL India Limited vide Order No NCLT/Estt./Chd 1449 dated 7th August 2018 of Hon'ble NCLT Chandigarh Bench.

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

(iv) Summary of outstanding Balances with the above Related Parties for the respective years are as given below:

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables		
1. HPL India Ltd	220.87	523.93
2. Havells Private Limited	-	569.79
3. Amerex Private Limited	246.14	144.62
4. HPL Projects Portfolio Pvt. Ltd*	-	11.34
Deferred Receivables		
1. HPL India Ltd*	1,122.13	1,358.53
Advance for Supply of Design		
1. HPL India Ltd	683.11	1,305.41
Financial liability		
11,000,000,10% Cumlative Compulsorily Redeemable Preference Shares		
Mr Lalit Seth	519.75	481.25
Mr Praveen Seth	371.25	343.75
Mr Rishi Seth	297.00	275.00
Mr Gautam Seth	297.00	275.00

*Being erstwhile HPL Project portfolio Pvt Ltd was merged with HPL India Limited vide Order No NCLT/Estt./Chd 1449 dated 7th August 2018 of Hon'ble NCLT Chandigarh Bench.

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 2019, 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

39 a) Interests in other entities

The entities on which the group exercises control as at 31st March 2019 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 2019	As at 31st March 2018
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 2019	As at 31st March 2018
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

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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 2019	As at 31st March 2018
Current assets	6,615.55	10,489.32
Current liabilities	5,135.05	9,793.11
Net current assets	**1,480.50**	**696.21**
Non-current assets	6,155.87	5,389.23
Non-current liabilities	2,316.54	1,408.87
Net non-current assets	3,839.33	3,980.36
Net assets	**5,319.83**	**4,676.57**
Accumulated NCI	**151.61**	**133.28**

Summarised statement of profit & loss	Year ended 31st March 2019	Year ended 31st March, 2018
Revenue	10,518.83	10,245.67
Profit for the year	642.88	522.60
Other comprehensive income	0.39	(0.28)
Total comprehensive income	**643.27**	**522.32**
Profit allocated to NCI	18.33	14.89
Dividends paid to NCI	-	-

Particulars	Year ended 31st March 2019	Year ended 31st March, 2018
Cash flows from operating activities	2,338.28	1,184.79
Cash flows from investing activities	(1,037.68)	(710.63)
Cash flows from financing activities	(1,225.03)	(365.20)
Net increase/ (decrease) in cash and cash equivalents	**75.57**	**108.96**

40 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%	67,777.06	80.66%	2,638.52
Subsidiary Companies				
Himachal Energy Pvt Ltd	7.29%	5,319.83	18.99%	621.19
HPL Electric & Power Pvt Ltd-Shriji Designs	-0.06%	(43.62)	-0.01%	(0.23)
HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.-Shriji Designs	-0.07%	(53.26)	0.36%	11.73
Total	**100.00%**	**73,000.01**	**100.00%**	**3,271.21**

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

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	101.90%	(20.88)	80.53%	2,617.64
Subsidiary Companies				
Himachal Energy Pvt Ltd	-1.89%	0.39	19.12%	621.58
HPL Electric & Power Pvt Ltd-Shriji Designs	0.00%	-	-0.01%	(0.23)
HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.-Shriji Designs	0.00%	-	0.36%	11.73
Total	**100.02%**	**(20.49)**	**100.00%**	**3,250.72**

41 The Board of Directors has recommended a dividend at the rate of ₹ 0.20 (2%) per share of face value of Rs. 10 each for the year ended 31st March, 2019. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

42 The Company do not have any outstanding commercial paper period ending 31st March, 2019 (P Y ₹ 10,000 Lakhs).

43 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.

44 Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	748.68	210.39

45 Contingent Liabilities:

(₹ in Lakhs)

S.No	Name of Statute	Description	As at 31st March 2019	As at 31st March 2018
a)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08	-	45.38
b)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08.	-	10.40
c)	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	16.40	16.40
d)	Central Excise Act, 1944	Demand for Excise Duty before Comm. (A), New Delhi for 2009-10 to 2015-16.	82.49	84.11
e)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2001-02 to 2004-05.	-	50.19
f)	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13 to 2016-17	1.01	1.01
g)	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	1.13	1.13
h)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	25.51	25.51
i)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	17.83	17.83

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

S.No	Name of Statute	Description	As at 31st March 2019	As at 31st March 2018
j)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	4.78	4.78
k)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	18.45	18.45
l)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2012-13	10.06	10.06
m)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2010-11	49.22	49.22
n)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2011-12	23.19	23.19
o)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	4.38	4.38
p)	Finance Act, 1994	Show cause notice received towards short payment of Service Tax for 2010-11 to 2014-15	163.04	163.04
q)	Finance Act, 1994	Show cause notice received towards demand of Service Tax availed for 2015-16.	-	1.34
r)	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi.	8.87	8.87
s)	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2011-12	23.39	23.39
t)	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2012-13	23.67	23.67
u)	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2013-14	80.59	80.59
v)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	72.95	72.95
w)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2009-10	-	697.70
x)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2010-11	-	574.79
y)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2010-11	-	77.42
z)	Income Tax Act,1961	Demand for income tax before CIT Appeal for 2013-14	-	21.04
aa)	Income Tax Act,1961	Demand pending before income tax officer for 2009-10	-	2.07
ab)	Income Tax Act,1961	Demand pending before income tax officer for 2011-12	-	23.22
ac)	Income Tax Act,1961	Demand pending before CPC for 2016-17	-	4.37
ad)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2014-15	25.35	-
ae)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	18.38	-
af)	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	97.68	-

Notes to Accounts forming part of the Financial Statements as on March 31, 2019

S.No	Name of Statute	Description	As at 31st March 2019	As at 31st March 2018
ag)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Final demand after Rectification on 31.07.2017 (Revision Pending)	3.61	-
ah)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification	1.97	-
ai)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification	3.73	-
aj)	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification	0.52	-
ak)	Haryana Vat Act, 2003	Haryana Tax Tribunal-Rohtak-Appeal pending before the Jt.ETC(A),Rohtak	33.95	-
al)	Haryana Vat Act, 2003	Demand for sales tax before Dy. Excise & Taxation Commissioner (ST),Sonepat for 2014-15	10.14	-
am)	Haryana Vat Act, 2003	Demand for sales tax before Jt Excise Excise & Taxation Commissioner, Ambala for 2014-15	55.74	-
an)	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 :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.

2. Besides the above, show cause notices from the various departments have been received by the company, had not been treated as contingent liabilities since the company has represented to the concerned departments and does not expect any liability on this account.

46 Previous year's figure have been regrouped/ re-arranged, wherever considered necessary to make them comparable with corresponding period ending 31st March, 2018 figures.

As per our report of even date attached
Sunil Kharabanda
CHARTERED ACCOUNTANTS

Sunil Kharabanda
PROPRIETOR
M.No. : 082402
F.R.N. : 003456N

Place : Noida
Dated : 20.05.2019

For and on behalf of board

Lalit Seth
Chairman and Managing Director
DIN- 00312007

Gautam Seth
Joint Managing Director
DIN- 00203405

Vivek Kumar
Company Secretary
M.No. A18491

Sudhir Kumar Barik
Chief Financial Officer
M.No. 13243

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **HPL Electric & Power Limited** will be held on Thursday, 26th September, 2019 at 11:00 A.M. at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi-110036 to transact the following business:

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, 2019 together with the Reports of the Board of Directors and Auditors thereon.

2. To declare final dividend of Rs. 0.20 per equity share for the Financial Year ended 31st March, 2019.

3. To appoint a director in place of Mr. Chandra Prakash Jain (DIN: 00311643), 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 Cost Auditors 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, 2020, be paid the remuneration as set out in the Statement annexed to this Notice convening the Meeting."

By order of the board
For **HPL Electric & Power Limited**

Vivek Kumar
Company Secretary
M. No. A18491

Date: 12th August, 2019
Place: Noida

Regd. Office: 1/20, Asaf Ali Road
New Delhi – 110002

NOTE(S):

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**

   A PERSON CAN ACT AS PROXY FOR ONLY 50(FIFTY) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10(TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10(TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

2. Corporate Members intending to send their authorized representative to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013 are requested to send a duly certified copy of their board resolution together with the respective specimen signatures of the representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

3. Members/proxies/authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

4. In case of joint holders, only such joint holder who is name first in the order of names will be entitled to vote.

5. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of all Special business specified above is annexed hereto.

6. The Register of Members and Share Transfer Books will remain closed from 20th September, 2019 to 26th September, 2019 (both days inclusive) in connection with Annual General Meeting and for the purpose of payment of dividend, if declared at the meeting.

7. The dividend on the equity shares, if declared at the Annual General Meeting, will be payable within 30 days from the date of the Annual General Meeting to those members:

   a) Whose names appear as member in the register of members of the company on 19th September, 2019; and

b) Whose names appear as Beneficial Owners in the list of Beneficial Owners on 19th September, 2019 furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

8. Only individual members/shareholders, holding shares in physical form who wish to nominate a person under section 72 of the companies Act, 2013 may furnish us required details in the prescribed Form SH-13, which is available on demand. In respect of shares held in electronic/demat form, the members may please contact their respective Depository Participants.

9. Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the Directors proposed to be re-appointed at the Annual General Meeting is given as an Annexure attached the Notice.

10. Members seeking any information with regard to accounts are requested to write to the company at least 7 working days before the meeting so that the information is made available by the management at the day of Annual General Meeting.

11. Members are requested to:

a) Intimate changes in their registered address, if any, to the company's Registrar and Share Transfer Agents, Karvy Fintech Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, in respect of their holdings in physical form.

b) Notify immediately any changes in their registered address, Bank Account Details and/or E-mail addresses to their depository participants in respect of their holdings in electronic form.

12. The Annual Report 2018-19, the Notice of 27th Annual General Meeting and instructions for remote e-voting, along with the attendance slip and proxy form are being sent by electronic mode to the members whose email addresses are registered with the company/Depository Participant(s), unless a member has requested for a physical copy of documents. For the members who have not registered their addresses, physical copies are being sent by permitted mode.

13. Members may also note that the Notice of 27th Annual General Meeting and Annual Report 2018-19 will be available on the company's website, www.hplindia.com for download.

14. As per Section 118(10) of the Companies Act, 2013 read with Secretarial Standards for General Meeting issued by the Institute of Companies Secretaries of India "No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting.

15. All the documents referred to in the accompanying Notice dated 12th August, 2019 and Explanatory Statement are open for inspection at the Company's Registered Office at 1/20, Asaf Ali Road, New Delhi – 110002 during the normal business hours on all working days till the date of Annual General Meeting.

16. The Company has a dedicated E-mail address i.e. hplcs@hplindia.com for members to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest. The Company's website www.hplindia.com has a dedicated section on Investors.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares can submit their PAN details to the Company/ RTA.

18. The business set out in the Notice of the AGM may be transacted through electronic voting system from a place other than the venue of the meeting (remote e-voting) or through physical paper at the AGM.

19. Pursuant to the provisions of Section 108 of the Act read with the rules made thereunder and Regulation 44 of SEBI Listing Regulations, the Company is offering remote e-voting facility to its members in respect of the business to be transacted at the 27th Annual General Meeting scheduled to be held on 26th September, 2019 at 11:00 AM at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi-110036.

The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the Authorized Agency to provide remote e-voting facility. The remote e-voting particulars are set out below:

The remote e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 23rd September, 2019 at 10:00 AM**

End of e-voting: **Up to 25th September, 2019 at 5:00 PM**

The cut-off date (i.e. the record date) for the purpose of remote e-voting is 19th September, 2019.

The instructions for E-voting are as follows:

i. To use the following URL for e-voting:

https://evoting.karvy.com

ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.

iii. Enter the login credentials. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll free number 1-800-3454-001 for your existing password.

iv. After entering the details appropriately, click on LOGIN.

v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT i.e., HPL Electric & Power Limited.

viii. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact Toll Free No. 18003454001.

xiii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: deepak.kukreja@dmkassociates.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

20. The facility for voting through ballot paper shall be made available at the Annual General Meeting (the "meeting") and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting.

21. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

22. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 19th September, 2019.

23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 19th September, 2019 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.

24. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the USER ID and Password in the manner as mentioned below:

a. 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

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXX1234567890

b. 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.karvy.com, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. Member may call Karvy's toll free number 1-800-3454-001

d. Member may send an e-mail request to einward.ris@karvy.com

25. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

26. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.

27. Mr. Deepak Kukreja, (FCS No. 4140) and Mrs. Monika Kohli, (FCS No. 5480), Partners DMK Associates, Practicing Company Secretaries have been appointed as Scrutinizer and alternate Scrutinizer respectively for scrutinizing the remote e-voting and the voting through physical paper in a fair and transparent manner. The Scrutinizer's decision on the validity of e-voting shall be final.

28. The Scrutinizer shall, on the date of the AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Consolidated Scrutinizer's report of the votes cast in favour or against, if any, and submit it to the Chairman.

29. The result of voting will be announced by the Chairman of the AGM after the AGM to be held on 26th September, 2019 and the resolution will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolution.

30. The result of the voting along with the Consolidated Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company (www.hplindia.com) and on Karvy's website (https://evoting.karvy.com) within 48 hours of completion of voting.

31. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 19th September, 2019. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.

32. Shareholders / proxies may also vote at the venue of the meeting physically by using the physical papers that will be provided at the venue. Shareholders / proxies who have cast their votes through remote e-voting will not be allowed to cast their votes physically at the venue of the AGM.

33. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. P. Nageswara Rao, Manager, Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : einward.ris@karvy.com, Toll Free No. 1800-345-4001.

34. Members who have acquired shares after the despatch of the Notice and before the Cutoff date may obtain the user ID by approaching Mr. P. Nageswara Rao, Manager, Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad-500032, E-mail: einward.ris@karvy.com, Toll Free No. 1800-345-4001, for issuance of the user ID and password for exercising their right to vote by electronic means.

35. The complete particulars of the venue of the Meeting including route map and prominent land mark for easy location are enclosed herewith. The route map of the Venue of the Meeting is also hosted along with the Notice on the website of the Company i.e. www.hplindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

M/s. Bikram Jain & Associates, Cost Accountants, (Firm Registration No. 101610) were re-appointed as Cost Auditors of the Company by the Board of Directors on the recommendation of the Audit Committee, to audit the cost records maintained by the Company in connection with manufacture of Switch Gears, Cables and Lights for the Financial Year ending 31st March, 2020 at a remuneration of Rs. 35,000/-(Rupees Thirty Five Thousand Only) plus Goods & Service Tax as applicable thereon and re-imbursement of out of pocket expenses.

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, is required to be ratified by the members of the Company. Accordingly, consent of the shareholders is sought for ratification of remuneration amounting to Rs. 35,000 (Rupees Thirty Five Thousand only) plus Goods & Service Tax as applicable thereon and re-imbursement of out of pocket expenses., payable to the Cost Auditors for conducting audit of the Cost Records of Company for the Financial Year ending 31st March, 2020.

None of the Directors/ Key Managerial Personnel of the Company / their relatives is, 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
M. No. A18491

Date: 12th August, 2019
Place: Noida

Regd. Office: 1/20, Asaf Ali Road
New Delhi - 110002

ANNEXURE

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. Chandra Prakash Jain**
Date of Birth	3rd May, 1960
Qualification	Bachelor of Engineering, Post Graduate Diploma in Statistical Quality Control, Master of Business Administration
Date of first Appointment on the Board	21st January, 2016
Experience/Expertise in specific functional area/Brief resume of the Director	He is an Electrical Engineer and an MBA with 32 years of experience in manufacturing Electrical & Electronic products. He has been an important pillar in Company's growth with his sharp vision and exemplary leadership. In addition to his corporate responsibilities, he heads the R&D centres and the Electronic Meter Division. He was the Chairman of the prestigious IEEMA meter division in 2013-14.
Relationship with other Directors/Managers and other Key Managerial Personnel	Not Related
Directorship held in other companies	NIL
Chairman/Member of the committee of the Board of Director in other Companies	Not Applicable
Number of Board Meetings attended during the year	4
Detail of remuneration last drawn	Refer Directors' Report
Shareholding in the Company	0.06%

HPL ELECTRIC & POWER LIMITED

CIN : L74899DL1992PLC048945
Registered Office: 1/20, Asaf Ali Road, New Delhi – 110002
Phone No: 91–11-23234411; Fax No: 91-11-23232639
E-mail : hpl@hplindia.com Website: www.hplindia.com

ATTENDANCE SLIP

27TH ANNUAL GENERAL MEETING

THURSDAY, 26TH SEPTEMBER, 2019

DP ID	FOLIO NO/CLIENT ID	NO. OF SHARES HELD

Name(s) and address of the member in full:	

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company to be held on Thursday, 26th September, 2019 at 11:00 AM at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi-110036.

If shareholder, sign here	If proxy, Sign here

HPL ELECTRIC & POWER LIMITED

CIN: L74899DL1992PLC048945
Registered Office: 1/20, Asaf Ali Road, New Delhi - 110002
Phone No: 91–11-23234411; Fax No: 91-11-23232639
E-mail : hpl@hplindia.com Website: www.hplindia.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	L74899DL1992PLC048945
Name of the company :	HPL ELECTRIC & POWER LIMITED
Registered office :	1/20, ASAF ALI ROAD, NEW DELHI-110002

Name of the Member(s) :	
Registered address :	
E-mail Id :	
Folio No./ Client ID :	
DP ID :	

I/We, being the Member(s) of ______________________ shares of the Company, hereby appoint

1.	**Name**			
	Address :			
	E-mail Id :		Signature:	

Or failing him

2.	**Name**			
	Address :			
	E-mail Id :		Signature:	

Or failing him

3.	**Name**			
	Address :			
	E-mail Id :		Signature:	

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 27th Annual General Meeting of the Company, to be held on **Thursday, 26th September, 2019 at 11:00 AM at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi-110036** and at any adjournment thereof in respect of such resolutions as are indicated below:

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, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2	To declare final dividend of Rs. 0.20 per equity share for the Financial Year ended 31st March, 2019.
3	To appoint a director in place of Mr. Chandra Prakash Jain (DIN: 00311643), who retires by rotation and being eligible, offers himself for re-appointment.
SPECIAL BUSINESS	
4	Ratification of Remuneration of the Cost Auditors

Signed this .... day of ………........… 2019

Affix Revenue Stamp

Signature of Shareholder...

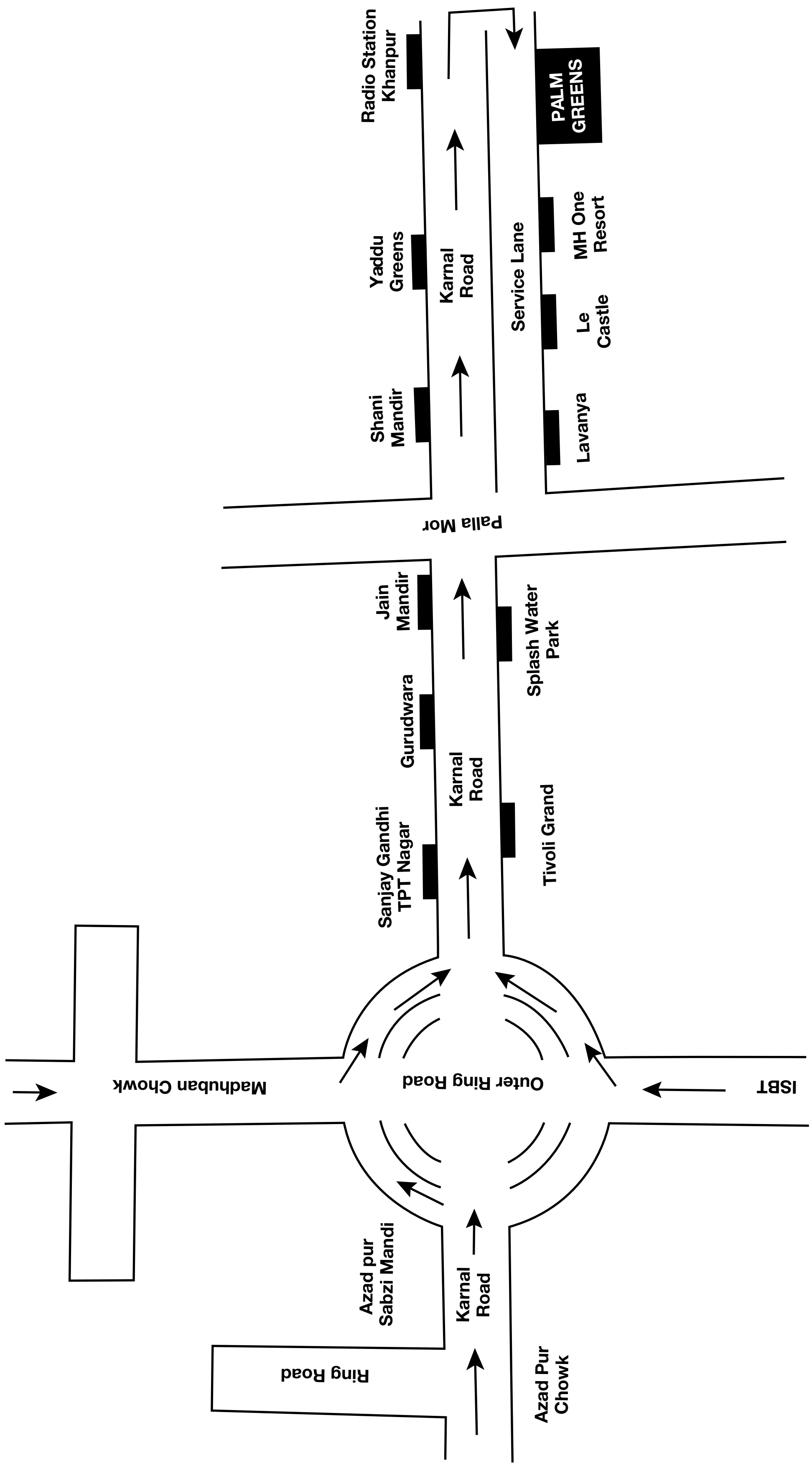
Signature of Proxy holder(s)...

Note:

(a) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

(b) This form of proxy shall be signed by the appointer or his attorney duly authorized in writing as if the appointes is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

ROUTE MAP OF THE VENUE FOR 27th ANNUAL GENERAL MEETING



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