INDEPENDENT AUDITOR'S REPORT

To the Members of Promptec Renewable Energy Solutions Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Promptec Renewable Energy Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 2" to this report;

(g) 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 the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 26 to the Ind AS financial statements;

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

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

    iv. The Company has provided requisite disclosures in Note 27 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year March 31, 2015 dated June 06, 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Manoj Gupta
Partner
Membership Number: 83906
Place of Signature: Noida
Date: May 10, 2017

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Promptec Renewable Energy Solutions Private Limited (the Company)

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(b) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the company

(ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.

(iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iii)(b) The Company has not granted any loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013.

(iii)(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of LED (Light Emitting Diode) Lighting, Solar lighting and Power Electronics solutions and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it..

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows.

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax/ VAT	Form C is not submitted.	6.90	FY 2012-2013	Sales tax tribunal, Karnataka
Sales Tax/ VAT	Form C is not submitted.	26.89	FY 2013-2014	Joint Commissioner of Commercial Taxes, Banglore, Karnataka

(viii) In our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders or government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/ further public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes no. 27 to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Noida, May 10, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PROMPTEC RENEWABLE ENERGY SOLUTIONS PRIVATE LIMITED

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

To the Members of Promptec Renewable Energy Solutions Private Limited

We have audited the internal financial controls over financial reporting of Promptec Renewable Energy Solutions Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Manoj Gupta
Partner
Membership Number: 83906
Place of Signature: Noida
Date: May 10, 2017

PROMPTEC RENEWABLE ENERGY SOLUTIONS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(Rs. In Lacs)

		Notes	AS AT March 31, 2017	AS AT March 31, 2016	AS AT April 1, 2015
	ASSETS				
1	**Non-current assets**				
	Property, plant and equipment	3	701.22	547.68	342.32
	Capital work in progress	3	2.77	-	-
	Intangible assets	4	22.82	18.33	-
	Financial assets	5			
	(i) Other financial assets		45.30	36.72	20.15
	Deferred tax assets (net)	6	154.68	55.85	60.29
	Other non-current assets	7	16.71	26.82	2.91
			943.50	**685.40**	**425.67**
2	**Current assets**				
	Inventories	8	1,747.64	1,529.62	1,156.55
	Financial assets	9			
	(i) Trade receivables		1,296.21	1,571.89	820.19
	(ii) Cash and cash equivalents		2.18	5.93	23.06
	(iii) Other bank balances		1.72	1.51	47.64
	(iii) Other financial assets		30.31	30.91	22.29
	Other current assets	10	314.40	63.78	71.95
			3,392.46	**3,203.64**	**2,141.68**
	Total Assets		**4,335.96**	**3,889.04**	**2,567.35**
	EQUITY AND LIABILITIES				
1	**Equity**	11			
	Equity share capital		263.62	263.62	157.10
	Other equity		1,304.05	1,436.94	322.80
			1,567.67	**1,700.56**	**479.90**
2	**Liabilities**				
	Non-current liabilities				
	Financial liabilities	12			
	(i) Borrowings		-	-	212.46
	Provisions	13	87.98	45.01	29.43
			87.98	**45.01**	**241.89**
	Current liabilities				
	Financial liabilities	14			
	(i) Borrowings		1,028.20	957.72	869.49
	(ii) Trade payables		1,453.65	922.73	801.82
	(iii)Other financial liabilities		109.63	151.53	94.00
	Other current liabilities	15	66.89	70.34	79.08
	Provisions	16	21.94	35.92	1.17
	Current tax liabilities (net)	17	-	5.23	-
			2,680.31	**2,143.47**	**1,845.56**
	Total Equity and Liabilities		**4,335.96**	**3,889.04**	**2,567.35**
	Summary of significant accounting policies	2			
	Contingent liabilities, commitments and litigations	26			
	Other notes on accounts	27			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Sd/-
Per Manoj Kumar Gupta
Partner
Membership No. 83906

Noida, May 10, 2017

For and on behalf of Board of Directors

Sd/-
Rajiv Goel
Director
DIN: 00714821

Sd/-
Kiran Moras
Director
DIN: 2184904

Sd/-
Manish Bansal
Authorised Signatory

PROMPTEC RENEWABLE ENERGY SOLUTIONS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. In Lacs)

		Notes	Year ended March 31, 2017	Year ended March 31, 2016
I	**INCOME**			
	Revenue from operations	18	8,530.17	5,485.62
	Other income	19	25.38	90.39
	Total Income		**8,555.55**	**5,576.01**
II	**EXPENSES**			
	Cost of materials consumed	20	5,992.81	3,329.15
	Change in inventories of finished goods and work in progress	21	(53.76)	(226.82)
	Excise duty on sale of goods		650.04	469.32
	Employee benefits expenses	22	860.01	761.62
	Finance costs	23	97.20	101.13
	Depreciation and amortisation expenses	24	88.37	55.55
	Other expenses	25	1,159.64	1,006.12
	Total Expenses		**8,794.31**	**5,496.07**
III	**Profit/(loss) before tax**		**(238.76)**	**79.94**
IV	**Tax expenses**	6		
	Current tax		-	5.94
	Adjustment of tax relating to earlier years		(4.91)	4.91
	Deferred tax		(99.49)	10.04
	Income tax expense		**(104.40)**	**20.89**
V	**Profit/(loss) for the year**		**(134.36)**	**59.05**
VI	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
	i) Re-measurement (gains)/ losses on defined benefit plans (Refer note no 27(2))		(2.13)	18.11
	ii) Income tax effect {Refer note no 6(b)}		0.66	(5.60)
	Other comprehensive (income)/ loss for the year, net of tax		**(1.47)**	**12.51**
VII	**Total comprehensive income/ (loss) for the year, net of tax**		**(132.89)**	**46.54**
VIII	**Earnings per equity share {refer note no. 27(7)} (nominal value of share Re.10/-)**			
	Basic (Rs.)		(5.10)	2.35
	Diluted (Rs.)		(5.10)	2.35
	Summary of significant accounting policies	2		
	Contingent liabilities, commitments and litigations	26		
	Other notes on accounts	27		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Sd/-
Per Manoj Kumar Gupta
Partner
Membership No. 83906

Noida, May 10, 2017

For and on behalf of Board of Directors

Sd/-
Rajiv Goel
Director
DIN: 00714821

Sd/-
Kiran Moras
Director
DIN: 2184904

Sd/-
Manish Bansal
Authorised Signatory

PROMPTEC RENEWABLE ENERGY SOLUTIONS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 ,2017

			Rs. in Lacs
		Year ended March 31, 2017	**Year ended March 31, 2016**
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Income tax	(238.76)	79.94
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	88.37	55.55
	Loss/ (profit) on disposal of property, plant and equipments	(8.73)	-
	Provision for doubtful trade receivables	58.16	-
	Interest expense	90.64	73.61
	Interest income	(0.12)	(7.69)
	Excess provisions no longer required written back	(3.45)	(4.88)
	Provision for doubtful receivables written back	(3.02)	(55.25)
	Operating Profit before working capital changes	**(16.91)**	**141.28**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables	220.54	(696.45)
	(Increase)/ Decrease in other assets	(261.76)	(17.37)
	(Increase)/ Decrease in inventories	(218.02)	(373.07)
	Increase/ (Decrease) in trade payables	530.92	120.91
	Increase/ (Decrease) in other liabilities and provisions	(30.17)	117.89
	Cash generated from operations	**224.59**	**(706.81)**
	Direct taxes paid (net of refunds)	(0.32)	(5.62)
	Net Cash flow from Operating Activities (A)	**224.27**	**(712.43)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property,plant and equipments including capital work in progress	(255.02)	(279.24)
	Capital advances (net of capital creditors)	40.78	(20.55)
	Fixed Deposits matured/ (made) during the year	(0.10)	46.13
	Proceeds from sale of property, plant and equipments	14.58	-
	Interest income received	0.12	7.69
	Net Cash flow from/(used) in Investing Activities (B)	**(199.64)**	**(245.97)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceed from share capital issued	-	55.68
	Proceed from security premium received	-	1,144.16
	Repayment of borrowings	(8.22)	(247.48)
	Proceeds of short term borrowings	70.48	88.23
	Interest paid	(90.64)	(73.61)
	share issue expenses	-	(25.71)
	Net Cash Flow from/(used) in Financing Activities (C)	**(28.38)**	**941.27**
	Net increase / decrease in cash and cash equivalents (A+B+C)	**(3.75)**	**(17.13)**
	Cash and cash equivalents at the beginning of the year	5.93	23.06
	Cash and Cash Equivalents at the end of the year	**2.18**	**5.93**

Notes :

1. The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flow".

2. Components of cash and cash equivalents :-

	As at March 31, 2017 Rs. in Lacs	**As at March 31, 2016** Rs. in Lacs
Cash and cash equivalents		
Balances with banks:		
Current accounts	2.15	5.90
Cash on hand	0.03	0.03
	2.18	**5.93**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Sd/-
Per Manoj Kumar Gupta
Partner
Membership No. 83906

Noida, May 10, 2017

For and on behalf of Board of Directors

Sd/-
Rajiv Goel
Director
DIN: 00714821

Sd/-
Kiran Moras
Director
DIN: 2184904

Sd/-
Manish Bansal
Authorised Signatory

PROMPTEC RENEWABLE ENERGY SOLUTIONS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2017

A) Equity Share Capital

Particulars	Nos.	Rs. In Lacs
As at April 1, 2015	**15,70,993**	**157.10**
Add: Equity shares issued	5,56,766	55.68
Coversion of Preference share capital to equity share capital	5,08,467	50.84
As at March 31, 2016	**26,36,226**	**263.62**
As at March 31, 2017	**26,36,226**	**263.62**

B) Other Equity

(Rs. In Lacs)

Particulars	Equity component of Preference share capital	Reserve & Surplus				Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
As at April 1, 2015	**53.06**	**-**	**302.84**	**2.26**	**(35.36)**	**322.80**
Conversion of Preference shares to Equity	(53.06)	-	-	-	-	(53.06)
Net profit for the year	-	-	-	-	59.05	59.05
Security preminum received on fresh issue of share capital	-	-	1,144.16	-	-	1,144.16
Addition during the year*	-	2.21	-	-	-	2.21
Other Comprehensive income for the year:						
Re-measurement (gains)/ losses on defined benefit plans	-	-	-	-	(12.51)	(12.51)
Share issue expense incurred during the year	-	-	-	-	(25.71)	(25.71)
As At March 31, 2016		**2.21**	**1,447.00**	**2.26**	**(14.53)**	**1,436.94**
Net profit for the year	-	-	-	-	(134.36)	(134.36)
Other Comprehensive income for the year:						
Re-measurement (gains)/ losses on defined benefit plans	-	-	-	-	1.47	1.47
As At March 31, 2017	**-**	**2.21**	**1,447.00**	**2.26**	**(147.43)**	**1,304.05**

* Capital reserve has been created by way of conversion of 3,34,328 preference shares of series 'B' and 'B1' of Rs. 10/- each into 3,12,219 equity shares of Rs. 10/- each. The excess of preference shares are credited to capital reserve.

Summary of significant accounting policies	2
Contingent liabilities, commitments and litigations	26
Other notes on accounts	27

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Sd/-
Per Manoj Kumar Gupta
Partner
Membership No. 83906

Noida, May 10, 2017

For and on behalf of Board of Directors

Sd/-
Rajiv Goel
Director
DIN: 00714821

Sd/-
Kiran Moras
Director
DIN: 2184904

Sd/-
Manish Bansal
Authorised Signatory

PROMPTEC RENEWABLE ENERGY SOLUTIONS PRIVATE LIMITED
Notes to financial statements for the year ended March 31,2017

1 CORPORATE INFORMATION

Promptec Renewable Energy Solutions Private Limited ("the Company") is a Company domiciled in India and incorporated on Sept 4,2008 under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing of LED (Light Emitting Diode) Lighting, Solar lighting and Power Electronics solutions.
The Financial statements were authorized by the board of directors for issue in accordance with resolution passed on May 10,2017.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first financial statements, which have been prepared in accordance with IND AS notified under the Companies (Indian Accounting stanandard)Rules 2015. Refer Note no 27(8) for information on how the Company adopted Ind - AS. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:-
i) Certain financial assets and liabilities that is measured at fair value
ii) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lacs (INR 00,000), except when otherwise indicated.

2.02 Current versus non-current classification

the Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.
Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. the Company has identified twelve months as its operating cycle.

2.03 Property, plant and equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses ,if any. On the date of transition to IND AS, all tangible assets other than Land and Capital work in progress have been measured at fair value and same has been considered as deemed cost as at April 01, 2015 (date of transition). The Company has applied principles of Ind AS 16 Property, Plant and Equipment retrospectively from date of acquisition in respect of Land and Capital work in progress and considered the same as deemed cost in accoradance with Ind AS 101 First Time adoption.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, 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 credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. 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 criteries for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.
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.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	**Useful life (in**
Building	30 - 60
Plant and Equipment	15
Dies and tools	6
Furniture and Fixtures	10
Vehicles	8-10
R &D Equipment	5-15
Office Equipment	3-5
Electric Fans and Installations	10
Laptops	3

Dies and tools and mobile phones are depreciated over the estimated useful lives of 6 years and 3 years, respectively, which are lower than those indicated in Schedule II. On the basis of technical assessment made by the management, it believes that the useful lives as given above best represent the period over which the assets are expected to be used.

2.04 Intangible assets

Separately acquired intangible assets

The Company has applied principles of Ind AS 38 Intangible Assets retrospectively from date of acquisition and considered the same as deemed cost in accoradance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;
iii) Its ability to use or sale the asset;
iv) How the asset will generate future economic benefits;
v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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 recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 6 years

2.05 Impairment of non- financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any 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 or Company's of 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.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.06 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss(i.e. fair value through profit or loss),or recognized in other comprehensive income(i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

a) **Business Model Test** : The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
b) **Cash flow characteristics test**: The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.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.EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the 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 but does not consider the expected credit losses.The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) **Business Model Test** : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
b) **Cash flow characteristics test**: The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On dereognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL.A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Dercognition

A financial asset (or ,where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  (a) the Company has transferred the rights to receive cash flows from the financial assets or
  (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

the Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of IND AS 17

Under the simplified approach, the Company does not track changes in credit risk. Rather , it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. the Company financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards servicies, sales incentive and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.07 Inventories

a) Basis of valuation:

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

ii) Inventory of scrap materials have been valued at net realizable value.

b) Method of Valuation:

i) **Cost of raw materials** has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) **Cost of finished goods and work-in-progress** includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) **Cost of traded goods** has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) **Net realizable value** is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.08 Taxes

Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

ii) Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.09 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Excise Duty , and net of returns, trade discounts, rebates, value added taxes and amount collected on behalf of third parties.

the Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. the Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognized:

a) **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts.

Revenue is usually recognized 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.

b) **Rendering of Services**

Revenue from service related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

c) **Interest Income**

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

2.10 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a) **Gratuity**

The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date. The actuarial valuation of the gratuity of employees at the year end is provided for as assets/ (liability) in the books.Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under Employee benfit expense in statement of profit or loss :

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) **Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to , for example , a reduction in future payment or a cash refund.

c) **Compensated Absences**

Leave encashment is provided on the basis of earned leave standing to the credit of the employees and the same is accumulated within a year and paid at the end of that year.

2.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements into prior to April 1, 2015 , the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit or loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

2.12 Segment accounting:

As the company's business activity primary falls within a single business and grographical segment,in view of the same, separate segment information is not required to be given as per requirements of IND AS -108.

2.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.14 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.15 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in associates and joint venture and impairment losses/ write down in value of investment in associates and joint venture and significant disposal of fixed assets (if any).

2.16 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.17 Foreign currencies

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Forward exchange contracts entered into to hedge foreign currency risk of an existing

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

2.18 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. the Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to two years.

Contingent liabilities

A contingent liability is a 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 recognized 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 recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.19 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value,maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.20 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flow

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable from their applicability date.

2.21 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, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

a) Operating lease commitments — Company as lessee

The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b) Assessment of lease contracts

Significant judgment is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

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) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

b) Gratuity benefit

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 27(2).

c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) 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.

e) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an assets's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of 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 no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

f) 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.

Promptec Renewable Energy Solutions Pvt Ltd.
Notes to financial statements for the year ended March 31, 2017

Note 3: Property, plant and equipment (Rs. In Lacs)

	Building	Plant and Equipment	Dies and tools	Furniture and fixtures	Vehicles	R & D Equipment's	Office Equipment's	Electrical Fans and Installation	Total	Capital Work in progress	Grand Total
At cost											
Deemed cost as at April 01, 2015	**88.32**	**218.16**	**-**	**12.18**	**15.59**	**-**	**8.07**	**-**	**342.32**	**-**	**342.32**
Additions	33.44	37.94	14.60	36.16	-	87.70	41.32	8.67	259.83	-	259.83
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	(0.19)	-	-	0.19	-	-	-	-
At March 31, 2016	**121.76**	**256.10**	**14.60**	**48.15**	**15.59**	**87.70**	**49.58**	**8.67**	**602.15**	**-**	**602.15**
Additions	16.69	94.82	91.60	11.59	-	12.30	16.40	-	243.40	2.77	246.17
Disposals	-	(0.10)	-	(0.23)	(6.94)	-	(0.42)	-	(7.69)	-	(7.69)
Transfers (refer note below)	-	(47.96)	42.88	-	-	(5.23)	10.12	0.19	-	-	-
At March 31, 2017	**138.45**	**302.86**	**149.08**	**59.51**	**8.65**	**94.77**	**75.68**	**8.86**	**837.86**	**2.77**	**840.63**
Depreciation											
At April 01, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Charge for the year	3.02	34.22	0.97	2.70	2.90	3.92	6.69	0.05	54.47	-	54.47
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-		-	-		-	-	-	-
At March 31, 2016	**3.02**	**34.22**	**0.97**	**2.70**	**2.90**	**3.92**	**6.69**	**0.05**	**54.47**	**-**	**54.47**
Charge for the year	4.35	38.32	8.32	5.90	1.85	11.09	13.36	0.82	84.01	-	84.01
Disposals	-	(0.01)	-	(0.04)	(1.59)	-	(0.20)	-	(1.84)	-	(1.84)
Transfers (refer note below)	-	(26.91)	26.08	-	-	(2.09)	2.89	0.03	-	-	-
At March 31, 2017	**7.37**	**45.62**	**35.37**	**8.56**	**3.16**	**12.92**	**22.74**	**0.90**	**136.64**	**-**	**136.64**
Net carrying amount											
At April 01, 2015	**88.32**	**218.16**	**-**	**12.18**	**15.59**	**-**	**8.07**	**-**	**342.32**	**-**	**342.32**
At March 31, 2016	**118.74**	**221.88**	**13.63**	**45.45**	**12.69**	**83.78**	**42.89**	**8.62**	**547.68**	**-**	**547.68**
At March 31, 2017	**131.08**	**257.24**	**113.71**	**50.95**	**5.49**	**81.85**	**52.94**	**7.96**	**701.22**	**2.77**	**703.99**

Notes:

(i) Transfer during the year include

(a) Dies and tools are transferred from the block of Plant and Equipment to Dies and tools (Gross block Rs. 42.88 lacs, accumulated depreciation Rs. 26.08 lacs and net block of Rs. 16.80 lacs)

(b) Other assets are transferred from Plant and Equipment and R & D Equipments to Office Equipments and Electrical Fans & installation (Gross block Rs. 10.31 lacs, accumulated depreciation Rs. 2.92 lacs and net block of Rs. 7.39 lacs)

(ii) Capital work in progress include Rs. 2.77 lacs on account of work-in-process of building construction.

Note 4 : Intangible assets

(Rs. In Lacs)

	Computer Software	Total
Gross Block (at cost)		
At April 01, 2015	-	-
Additions	19.41	**19.41**
Disposals	-	-
At March 31, 2016	**19.41**	**19.41**
Additions	**8.85**	**8.85**
Disposals	-	-
At March 31, 2017	**28.26**	**28.26**
Amortization		
At April 01, 2015	-	-
Charge for the year	1.08	**1.08**
Disposals	-	-
At March 31, 2016	**1.08**	**1.08**
Charge for the year	**4.36**	**4.36**
Disposals	-	-
At March 31, 2017	**5.44**	**5.44**
Net carrying amount		
At April 01, 2015	-	-
At March 31, 2016	**18.33**	**18.33**
At March 31, 2017	**22.82**	**22.82**

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
5 NON-CURRENT FINANCIAL ASSETS			
(A) Others financial assets (Valued at amortised cost)			
(Unsecured, considered good)			
Fixed deposits with banks having remaining maturity period of more than twelve months	-	0.11	0.11
Security deposits	45.30	36.61	20.04
	45.30	**36.72**	**20.15**

6 Income Taxes

(a) Income tax expenses in the statement of profit and loss comprises :	Year ended March 31, 2017 Rs.in Lacs	Year ended March 31, 2016 Rs.in Lacs
Statement of Profit & Loss		
Current Income Tax charge	-	5.94
Adjustments of tax relating to earlier years	(4.91)	4.91
Deferred Tax		
Relating to origination & reversal of temporary differences	(99.49)	10.04
Income tax expense reported in the statement of profit or loss	**(104.40)**	**20.89**
(b) Other Comprehensive Income		
i) Re-measurement (gains)/ losses on defined benefit plans (Refer note no 27(2))	0.66	(5.60)
Income tax related to items recognised in OCI during the year	**0.66**	**(5.60)**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Accounting Profit before tax	(238.76)	79.94
Applicable tax rate	30.90%	30.90%
Computed Tax Expense	**(73.78)**	**24.70**
Expense not allowed for tax purpose.	6.59	39.84
Unabsorbed Depreciation and carried forwarded tax losses	(90.01)	(26.54)
Deferred tax on previous year's tax losses lapsed due to change in shareholidng pattern	-	-
Additional allowances for tax purpose	51.77	(22.02)
Tax relating to earlier years	1.03	4.91
Income tax charged to Statement of Profit and Loss at the effective rate of 43.72% (March 31,2016 26.13%)	**(104.40)**	**20.89**

(d) Deferred tax comprises:

	Balance Sheet			Recognised in Statement of Profit & Loss	
	As at March 31, 2017 Rs in Lacs	**As at March 31, 2016 Rs in Lacs**	**As at April 1, 2015 Rs in Lacs**	**Year Ended 31-Mar-17 Rs in Lacs**	**Year Ended 31-Mar-16 Rs in Lacs**
Accelerated Depreciation for Tax purposes	(75.17)	(67.93)	(33.69)	7.24	34.24
Expenses allowable on payment basis	(29.75)	22.02	-	51.77	(22.02)
Unabsorbed Depreciation and carried forwarded tax losses	259.60	95.82	93.98	(163.78)	(1.84)
MAT credit entitlement	-	5.94	-	5.94	(5.94)
Re-measurement (gains)/ losses on defined benefit plans			-	(0.66)	5.60
	154.68	**55.85**	**60.29**	**(99.49)**	**10.04**

(e) Reconciliation of deferred tax assets(net)	As at March 31, 2017 Rs in Lacs	As at March 31, 2016 Rs in Lacs
Opening balance as per last balance sheet	55.85	60.29
Tax expense recognized in profit and loss account account during the year	98.83	(4.44)
Closing balance	**154.68**	**55.85**

Notes:
There is an unabsorbed depreciation loss and business loss of Rs. 153.96 lacs and Rs. 88.53 lacs respectively as on April 1, 2016 with expiry of Rs. 88.53 lacs in financial year 2023-24. During the year there will be an unabsorbed depreciation of Rs. 111.93 lacs and business loss of Rs. 485.72 lacs. The deferred tax assets has been created on the net loss of Rs. 840.14 lacs due to virtual certainity of profit in coming years by the management.

	As at March 31, 2017 Rs in Lacs	As at March 31, 2016 Rs in Lacs	As at April 1, 2015 Rs in Lacs
7 OTHER NON-CURRENT ASSETS			
(Unsecured, considered good)			
Capital advances	10.40	23.56	-
Others			
Deposits with Government authorities	6.31	3.26	2.91
	16.71	**26.82**	**2.91**
8 INVENTORIES			
(Valued at lower of cost and net realisable value unless otherwise stated) (refer accounting policies 2.07)			
Raw materials and components	1,217.23	1,103.37	976.85
Work-in-progress	258.44	216.84	102.97
Finished goods	201.84	189.68	76.73
Stores and spares	70.13	19.73	-
	1,747.64	**1,529.62**	**1,156.55**
Notes:			
(a) The above includes goods in transit as under:			
Raw Materials	9.16	8.25	29.85
Finished goods	21.22	26.03	-

(b) Inventories are hypothecated with the bankers against working capital limits. {Refer note 26(C)}
(c) During the year ended March 31,2017: Rs. 347.46 lacs (March 31, 2016 : Rs. 69.01 lacs) was recognised as an expense for inventories carried at net realisable value.

9 CURRENT FINANCIAL ASSETS	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
(A) TRADE RECEIVABLES			
Unsecured			
Trade receivables- considered good	281.73	760.04	820.19
Trade receivables- considered doubtful	58.16	-	55.25
Receivables from related parties - considered good (refer note no 27(4))	1,014.48	811.85	-
Trade receivables (gross)	1,354.37	1,571.89	875.44
Less: Impairment allowance for trade receivables considered doubtful	58.16	-	55.25
	1,296.21	**1,571.89**	**820.19**

Note:

(a) Trade receivables are usually non-interest bearing and are on trade terms of 30 to 67 days.

(b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(B) CASH AND CASH EQUIVALENTS			
Balances with banks:			
Current accounts	2.15	5.90	21.65
Cash on hand	0.03	0.03	1.41
	2.18	**5.93**	**23.06**

Note: There are no restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(C) OTHER BANK BALANCES			
Fixed deposits account with original maturity of more than twelve months {refer note (a,b)}	1.72	1.51	47.64
	1.72	**1.51**	**47.64**
	3.90	**7.44**	**70.70**

Notes:

(a) The deposits maintained by the Company with Banks comprise of the time deposits which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short term deposit rates.

(b) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances.

(D) OTHERS FINANCIAL ASSETS			
Unsecured, considered good			
Security deposit and retention money	30.31	30.91	22.29
	30.31	**30.91**	**22.29**

10 OTHER CURRENT ASSETS			
Unsecured, considered good			
Advances other than capital advances			
Advances against materials and services	8.21	18.96	6.26
Others			
Prepaid expenses	3.91	0.88	0.33
Balance with Statutory/ Government authorities:			
Excise duty	157.38	15.59	62.89
Service tax	55.03	19.11	0.09
VAT	76.17	3.25	0.76
Deposits with Government authorities	13.70	5.99	1.62
	314.40	**63.78**	**71.95**

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
11 EQUITY			
(A) Equity share capital			
a) Authorized			
30,00,000 equity shares of Rs.10/- each (March 31,2016 : 30,00,000 equity shares of Rs.10/- each) (April 1,2015 : 16,00,000 equity shares of Rs.10/- each)	**300.00**	**300.00**	**160.00**
Issued, subscribed and fully paid-up			
26,36,226 equity shares of Rs.10/- each (March 31,2016 : 26,36,226 equity shares of Rs.10/- each) (April 1,2015: 15,70,993 equity shares of Rs.10/- each)	**263.62**	**263.62**	**157.10**
Preference share capital			
Authorized			
5,50,000 preference shares of Rs.10/- each (March 31,2016: 5,50,000 preference shares of Rs.10/- each) (April1,2015: 5,50,000 preference shares of Rs.10/- each)	**55.00**	**55.00**	**55.00**
Issued, subscribed and fully paid-up			
Nil preference shares of Rs.10/- each (March 31,2016 :Nil preference shares of Rs.10/- each) (April 1,2015 : 5,30,576 preference shares of Rs.10/- each)	**-**	**-**	**53.06**

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**(Rs.in lacs)**	**No. of shares**	**(Rs.in lacs)**	**No. of shares**	**(Rs.in lacs)**
At the beginning of the year	26,36,226	263.62	15,70,993	157.10	15,70,993	157.10
Add: Fresh issue*	-	-	5,56,766	55.68	-	-
Add: Conversion of preference shares*	-	-	5,08,467	50.84	-	-
Outstanding at the end of the year	26,36,226	263.62	26,36,226	263.62	15,70,993	157.10

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re.10/- per share (March 31, 2016: Rs10/- per share; April 1, 2015: Rs10/- 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 will be entitled to receive remaining assets of the Company after distribution of all preferential amounts (if any). The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Reconciliation of the preference shares outstanding at the beginning and at the end of the year

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**(Rs.in lacs)**	**No. of shares**	**(Rs.in lacs)**	**No. of shares**	**(Rs.in lacs)**
Series 'A':						
At the beginning of the year	-	-	1,96,248	19.62	1,96,248	19.62
Less: Forfeiture on account of conversion to Equity	-	-	1,96,248	19.62	-	-
Outstanding at the end of the year	-	-	-	-	1,96,248	19.62
Series 'B':						
At the beginning of the year	-	-	1,76,710	17.67	1,76,710	17.67
Less: Forfeiture on account of conversion to Equity	-	-	1,76,710	17.67	-	-
Outstanding at the end of the year	-	-	-	-	1,76,710	17.67
Series 'B1':						
At the beginning of the year	-	-	1,57,618	15.76	1,57,618	15.77
Less: Forfeiture on account of conversion to Equity	-	-	1,57,618	15.76	-	-
Outstanding at the end of the year	-	-	-	-	1,57,618	15.77

Terms/rights attached to preference shares

The Company was having three series A,B and B1 of compulsorily convertible preference shares having a par value of Re.10/- per share as on April,01, 2015 amounting to Rs. 53.06 lacs. The holder of such preference shares were at all the times before and after the conversion of preference shares to equity shares entitled to such number of votes on all matters presented to shareholders equal to the no. of equity shares issued to them upon conversion as per conversion ratio.

Subject to applicable to law, in the event of liquidation, dissolution or winding up of the company, the holder of the preference shares had perference over all other share holder, subsequent to this the share holders of the company entered in Shares subscription cum purchase agreement and share holder agreement on April 22 2015, with Havells India Limited for:

a) Fresh issue of 5,56,766 equity shares of 10 each

b) Conversion of 5,30,576 preference shares (Series A, B, and B1) of Rs. 10 each into 5,08,467 equity shares of Rs. 10 each.

The Company was having three series of compulsarily convertible preference shares having a par value of Re.10/- per share (previous year Re.10/- per share)

Series 'A' Preference Shares:

Holders of series 'A' preference shares shall at all times before and after conversion of Series 'A' preference shares into equity shares have such number of votes on all matters presented to shareholders equal to the number of equity shares issuable to them as if their series 'A' preference shares had been converted into equity shares at the series 'A' conversion ratio, as the case maybe, on the day of voting.

Subject to applicable law, in the event of liquidation, dissolution or winding up of the Company, the holders of Series 'A' preference shares shall have a preference over all other shareholders and will be entitled to first receive, as permitted by law, and in preference to the other shareholders of the Company, an amount equal to

- 150% of the investor subscription amount actually invested, plus any due and unpaid dividends from the proceeds; or
- the holders of series 'A' preference shares will participate in proceeds in proportion to their then shareholding of the Company on an as-converted basis, pro rata, along with the other shareholders of the Company.

Series 'B' Preference Shares:

Holders of series 'B' preference shares shall at all times before and after conversion of Series 'B' preference shares into equity shares have such number of votes on all matters presented to shareholders equal to the number of equity shares issuable to them as if their series 'B' preference shares had been converted into equity shares at the series 'B' conversion ratio, as the case maybe, on the day of voting.

Subject to applicable law, in the event of liquidation, dissolution or winding up of the Company, the holders of series 'B' preference shares shall have a preference over all other shareholders and will be entitled to first receive, as permitted by law, and in preference to the other shareholders of the Company, an amount equal to the

- 150% of the second tranche Investment, plus any due and unpaid dividends from the proceeds; or
- the holders of series 'B' preference shares will participate in proceeds in proportion to their then shareholding of the Company on an as-converted basis, pro rata, along with the other shareholders of the Company.

Series 'B1' Preference Shares:
Holders of the series 'B1' preference shares shall at all times before and after conversion of series 'B1' preference shares into equity shares have such number of votes on all matters presented to shareholders equal to the number of equity shares issuable to them as if their series 'B1' preference shares had been converted into equity shares at the series 'B1' conversion ratio, as the case maybe, on the day of voting.
In the event of liquidation event, subject to applicable Law, the preference shareholders of the series 'B1' preference shares will have liquidation rights senior to all other outstanding securities of the Company. The reference shareholders shall receive the higher of the following:
- 150% of the total subscription amount, along with all due and unpaid dividends.
- shall have the right to participate, pro-rata to their shareholding on a fully diluted basis, on an as-if-converted basis, along with the other shareholders and the promoters of the company

*In financial year 2015-16 ,Pursuant to the share subscription cum purchase agreement executed on dated April 21, 2015 and shareholders agreement executed on dated April 22, 2015, the Company has issued 5,56,766 equity Shares of Rs. 10/- each to Havells India Limited. Havells India Limited has also acquired 5,30,576 preference shares consists of 1,96,248 Series 'A', 1,76,710 series 'B' and 1,57,618 series 'B1' preference shares of Rs. 10/- each and 2,83,973 equity shares of Rs. 10/- each from the existing shareholders of the Company. The 5,30,576 preference shares of Rs. 10/- each have been convered into 5,08,467 equity shares of Rs. 10/- each with the recommendations of the Board of Directors of the Company at its meeting held on May 15, 2015 followed by approval of the members in extra-oridinary general meeting dated May 15, 2015, in consequences of which Havells India Limited has become a holding company of the Company.

d) Shares held by holding Company:
Out of the equity Shares issued by the Company, shares held by its holding company are as follows:

	As at March 31, 2017 (Rs.in lacs)	As at March 31, 2016 (Rs.in lacs)	As at April 1, 2015 (Rs.in lacs)
Havells India Limited, the holding company			
18,16,943 equity shares of Rs. 10/- each (March 31,2016 :13,49,206 equity shares of Rs. 10/- each)(April 1,2015 : Nil equity shares of Rs. 10/- each)	181.69	134.92	-

g) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

	March 31, 2017		March 31, 2016		April 1, 2015	
Equity shares of Rs. 10/- each.	**No. of shares**	**% holding**	**No. of shares**	**% holding**	**No. of shares**	**% holding**
Havells India Limited, the holding company	18,16,943	68.92%	13,49,206	51.18%	-	-
Joshy P P	-	-	4,67,737	17.74%	4,90,311	31.21%
Kiran Moras	5,61,879	21.31%	5,61,879	21.31%	6,76,689	43.07%
Nikhil Das	2,57,404	9.77%	2,57,404	9.76%	3,10,000	19.73%

(B) OTHER EQUITY

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Capital Reserve	2.21	2.21	-
Securities Premium Account	1,447.00	1,447.00	302.84
General Reserve	2.26	2.26	2.26
Retained Earnings	(147.42)	(14.53)	(35.36)
Equity component of Preference Share capital	-	-	53.06
	1,304.05	**1,436.94**	**322.80**

Notes:

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs
a) Capital Reserve		
Opening balance	2.21	-
Add: On conversion of preference shares to equity shares*	-	2.21
	2.21	**2.21**
b) Securities Premium Account		
Opening balance	1,447.00	302.84
Add: Addition on equity shares	-	1,144.16
	1,447.00	**1,447.00**
c) General Reserve	**2.26**	**2.26**
d) Surplus as per the statement of profit and loss		
Opening balance	(14.53)	(35.36)
Net profit for the year	(134.36)	59.05
Items of other comprehensive income recognised directly in retained earnings		
Share issue expenses	-	(25.71)
Remeasurement of post employment benefit obligation, net of tax	1.47	(12.51)
Appropriations	**(147.42)**	**(14.53)**
Total Reserves and Surplus	**1,304.05**	**1,436.94**

* Capital reserve has been created by way of conversion of 3,34,328 preference shares of series 'B' and 'B1' of Rs. 10/- each into 3,12,219 equity shares of Rs. 10/- each. The excess of preference shares are credited to capital reserve in the financial year 2015-16.

12 NON CURRENT FINANCIAL LIABILITIES
(A) BORROWINGS

Term loans from banks (secured)			
Term loans from banks (secured)	-	-	185.21
Term loans from Financial Institution (secured)	-	-	19.11
Term loans from Non-banking Financial Company (unsecured)	-	-	8.14
	-	**-**	**212.46**

Notes:
Following term loans were outstanding as at April1,2015 which had been paid during the year ended March 31, 2016 and the respective charges of the loans has been duly satisfied:
a) Term loan from State Bank of Mysore Rs. Nil (March 31,2016 :Rs Nil) (April 1,2015: Rs 6.98 lacs) secured against the hypothecation of motor car;
b) Term loan from Small Industries Development Bank of India is Rs. Nil (March 31,2016 : Rs Nil) (April 1,2015 : Rs 177.52 lacs) secured against the first charge on plant and machinery;
c) Term loan from HDFC Bank Limited Rs. Nil (March 31,2016 :Rs Nil) (April 1,2015 : Rs 0.71 lacs) secured against hypothecation of motor car;
d) Term loan from National small industries corporation, Financial Institution Rs. Nil (March 31,2016 : Rs Nil)(April 1,2015: Rs 19.11 lacs) secured against the bank guarantee has been ended in March 31, 2016;
e) Term loan from Bajaj Finance Limited,Non-banking Finacial Company Rs. Nil (March 31,2016: Rs Nil) (April 1,2015: Rs 8.14 lacs).

	As at March 31, 2017 (Rs.in lacs)	As at March 31, 2016 (Rs.in lacs)	As at April 1, 2015 (Rs.in lacs)
13 NON CURRENT PROVISIONS			
i) Provision for employee benefits			
Provision for leave encashment	-	-	12.11
Provision for Gratuity	37.01	34.27	17.32
	37.01	34.27	29.43
ii) Other provisions			
Product warranties (refer note no 16)	50.97	10.74	-
	50.97	10.74	-
	87.98	**45.01**	**29.43**

14 CURRENT FINANCIAL LIABILITY

(A) BORROWINGS

Loans repayable on demand (secured)			
Working capital demand loan from bank (refer point no (a))	1028.20	957.72	488.33
Buyer credit facility and preshipment finance from bank (refer point no (a))	-	-	181.16
Other loans (unsecured)			
Other loans and advances(refer point no (b))	-	-	200.00
	1,028.20	**957.72**	**869.49**

a) The cash credit facility from banks includes

(i) Working capital loan from Yes Bank Limited amounting to Rs 1,028.20 lacs as on March 31,2017 (March 31,2016 : Rs 957.72 lacs) (April 1,2015: Nil) obtained during the year against the following terms and conditions

- Whole of the Current Assets of the Company's stocks including raw material, semi-finished and finished goods, stores and spares relating to plant and machinery (consumable stores and spares), Bills receivables and book debts and all other receivables and movables (both present and future) whether lying or stored in or about or shall hereinafter from time to time during the security of these presents be brought into or upon or be stored or be in or about of the Company's Manufacturing units, premises and godowns situated anywhere.
- Whole of the Moveable Fixed Assets of the Company including Plant and Machinery located at Shibra Farms, Near 8th Mile, Tumkur Road, Bangalore – 560073 and Survey No. 250/2, Huchegowdanapalya, T. Begur, Village & Post – Nelamangala, Taluk, Bangalore, Rural District Bangalore – 562123 (both present and future).
- All the book debts and receivables (both present and future) of the Company including outstanding monies receivable claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the Company in the course of its business.
- Non-disposable undertaking from Havells India Limited to maintain 51% shareholding in the Company.

(ii) Working Capital demand loan from bank as on April 1,2015 amounting Rs. 488.33 lacs, buyer credit facility and pre-shipment finance from bank as on April 1,2015 amounting Rs.181.16 lacs from State Bank of Mysore secured against the following assets have been fully repaid during the year 2015-16. The Security pledged with the Bank has been released and charge with Ministry of Corporate affairs has been modified accordingly.

1) Hypothecation of Stock of Raw Material, Finished Goods & Consumables.
2) Equitable Mortgage of Personal Property of Mr Kiran Moras and Anitha Coelho.
3) Second Charge on Existing Plant & Machinery.
4) Personal Guarantee of All Directors & Mrs Anitha Coelho

b) Unsecured loans and advances Rs Nil as on March 31,2017 (March 31,2016 : Rs Nil) (April 1,2015 : Rs. 200.00 lacs) includes promissory notes due to Blume Venture Capital has been fully repaid during the year 2015-16.

(B) TRADE PAYABLES

Total outstanding dues of creditors other than micro and small enterprises	1,340.28	834.10	779.75
Total outstanding dues of micro and small enterprises	113.37	88.63	22.07
	1,453.65	**922.73**	**801.82**

* The amounts are unsecured and are usually paid within 120 days of recognition.

* Trade payables are usually non- interest bearing .In few cases ,where the trade payables are interest bearing,the interest is settled on quarterly basis.

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2017 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:			
Principal	113.37	88.63	22.07
Interest	-	-	-
ii) The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting	-	-	-
iii) The 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 year) but without adding the interest specified under MSMED Act.	-	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period as on March 31,2017 is Rs. Nil (March 31,2016 : Rs Nil) (April 1,2015: Rs Nil lacs) as on balance sheet date.

(C) OTHER FINANCIAL LIABILITIES

Current maturities of long-term borrowings	-	8.22	43.24
Other payables:			
Creditors for capital goods	30.63	3.01	-
Trade deposits	19.72	12.96	-
Other liabilities			
Payable for services	19.66	7.53	4.73
Payable to employees	39.62	114.91	46.03
Sales incentives payable	-	4.90	-
	109.63	**151.53**	**94.00**

Current maturities of long term loan includes due from State Bank of Mysore Rs Nil (March 31,2016 :Rs 8.22 lacs) (April 1,2015 : Rs. 11.97 lacs) as on March 31, 2017 secured against the hypothecation of motor car was repaid during the year. Unsecured Term loans from Standard Chartered Bank, HDFC Bank and Bajaj Capital Finance Limited Rs. Nil (March 31,2016 :Rs Nil) (April 1,2015 : Rs. 31.27 lacs) had been fully repaid during the previous year ended on March 31, 2016.

		As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
15	**OTHER CURRENT LIABILITIES**			
	Revenue received in advance			
	Advances and progress payments from customers	37.20	29.14	46.07
	Others			
	Excise duty payable {refer note (a)}	16.51	17.62	8.52
	Other statutory dues payable	13.18	23.58	24.49
		66.89	**70.34**	**79.08**

(a) The Company has made a provision of excise duty payable amounting to Rs.16.51 lacs as on 31.03.2017 (March 31,2016 : 17.62 lacs) (April 1,2015 : Rs.8.52 lacs) on stocks of finished goods at the end of the year. Excise duty is considered as an element of cost at the time of manufacture of goods.

16	**CURRENT PROVISIONS**			
	i) **Provision for employee benefits**			
	Gratuity {refer note no. 27(2)}	12.01	10.86	1.17
		12.01	**10.86**	**1.17**
	ii) **Other provisions**			
	Product warranties {refer note (a)}	9.93	25.06	-
		9.93	**25.06**	**-**
		21.94	**35.92**	**1.17**

a) **Provision for warranties**

A provision is recognized for expected warranty claims and after sales services on products sold during the last years, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within subsequent years after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold. The table below gives information about movement in warranty provisions.

At the beginning of the year	35.80	-	-
Arising during the year	39.02	55.22	24.03
Utilized during the year	(13.92)	(19.42)	(24.03)
At the end of the year	**60.90**	**35.80**	**-**
Current portion	9.93	25.06	-
Non-current portion (refer note no. 13)	50.97	10.74	-

17	**CURRENT TAX LIABILITIES**			
	Income Tax (net of advance tax and and Tax Deducted at Source)	-	5.23	-
		-	**5.23**	**-**

		Year ended March 31, 2017 Rs.in Lacs	Year ended March 31, 2016 Rs.in Lacs
18	**REVENUE FROM OPERATIONS**		
	Sale of products (Including excise duty)	8,498.14	5,478.73
	Sale of services	19.79	-
		8,517.93	**5,478.73**
	Other operating revenues		
	Scrap sales (including excise duty)	12.20	2.90
	Export Incentive	0.04	3.99
	Revenue from operations (gross)	**8,530.17**	**5,485.62**

Note:

Excise duty collected from customers included in sales of products amounting to Rs.648.79 lacs (March 31,2016: Rs. 469.06 lacs) and scrap sales amounting to Rs.1.25 lacs (March 31, 2016: Rs. 0.26 lacs). Sales of product net of excise duty - Rs.7,869.14 lacs (March 31,2016: Rs. 5,009.67 lacs) and scrap sales net of Excise duty Rs. 10.95 lacs (March 31,2016: Rs. 2.64 lacs).

19	**OTHER INCOME**		
	Interest received on financial assets carried at amortised cost:		
	Bank deposits	0.12	7.69
	Other non-operating income		
	Exchange fluctuations (net)	8.43	-
	Excess provisions no longer required written back	3.45	4.88
	Provision for doubtful receivables written back	3.02	55.25
	Profit on sale of assets (net)	8.73	-
	Miscellaneous income (net)	1.63	22.57
		25.38	**90.39**
20	**COST OF MATERIALS CONSUMED**		
	Inventory at the beginning of the year	1,103.37	976.85
	Add: Purchases	6,106.67	3,455.67
		7,210.04	4,432.52
	Less: Inventory at the end of the year	1,217.23	1,103.37
	Cost of raw material and components consumed	**5,992.81**	**3,329.15**

21 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	March 31,2017 Rs.in Lacs	March 31,2016 Rs.in Lacs	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	201.84	189.68	(12.16)
Work in progress	258.44	216.84	(41.60)
	460.28	**406.52**	**(53.76)**
	March 31,2016 Rs.in Lacs	**April 1,2015** Rs.in Lacs	**(Increase)/ Decrease**
Inventory at the begining of the year			
Finished Goods	189.68	76.73	(112.95)
Work-in-progress	216.84	102.97	(113.87)
	406.52	**179.70**	**(226.82)**
Change in inventories of finished goods and work-in-progress { (Increase)/ Decrease}	**(53.76)**	**(226.82)**	

		Year ended March 31, 2017 Rs.in lacs	Year ended March 31, 2016 Rs.in lacs
22	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, wages, bonus and other benefits	782.63	691.07
	Contribution towards PF, Family Pension and ESI	41.58	40.57
	Gratuity expense {refer note no. 27(2)}	15.02	8.53
	Staff welfare expenses	20.78	21.45
		860.01	**761.62**
23	**FINANCE COSTS**		
	Interest expense	90.64	73.61
	Bank charges	6.56	27.52
		97.20	**101.13**
24	**DEPRECIATION AND AMORTISATION EXPENSES**		
	Depreciation of tangible assets (refer note 3)	84.01	54.47
	Amortization of intangible assets (refer note 4)	4.36	1.08
		88.37	**55.55**
25	**OTHER EXPENSES**		
	Consumption of stores and spares	181.42	130.67
	Power and fuel	25.14	14.66
	Job work and installation charges	382.50	294.59
	Increase / (decrease) in excise duty in inventory of finished goods and scrap	(1.12)	11.35
	Rent	40.52	16.05
	Repairs and maintenance:		
	Plant and machinery	33.96	5.21
	Buildings	7.59	0.70
	Others	16.65	20.30
	Rates and taxes	3.78	8.20
	Insurance	3.52	1.67
	Travelling and conveyance	85.09	61.26
	Communication expenses	17.48	21.16
	Legal and professional charges	20.18	22.96
	Payment to Auditors		
	As Auditors:		
	Audit fee	5.00	6.00
	Tax audit Fee	1.00	0.20
	In other capacity		
	Reimbursement of expenses	0.41	0.10
	Exchange fluctuations (net)	-	4.56
	Freight and forwarding expenses	118.41	67.41
	Testing charges	18.22	19.12
	Service tax and custom duty paid	8.48	4.40
	Advertisement and sales promotion	10.13	9.63
	Commission on sales	18.78	87.30
	Product warranties and after sales services	39.02	55.22
	Bad debts written off	26.14	122.86
	Impairment allowance for trade receivables considered	58.16	-
	Printing and stationery	6.87	5.36
	Miscellaneous expenses	32.31	15.18
		1,159.64	**1,006.12**

26 COMMITMENTS AND CONTINGENCIES

(Rs.in lacs)

		As At March 31,2017	As At March 31,2016	As At April 1,2015
A	**Contingent liabilities (to the extent not provided for)**			
	Disputed tax liabilities in respect of pending cases before appellate authorities {Amount deposited under protest March 31, 2017: Rs. 14.48 lacs {(March 31, 2016 : Rs. 3.44) (April 1, 2015: Rs. Nil)}	48.28	12.98	109.76

Notes:

The various disputed tax liabilities are as under :

Sl.	Description	Period to which relates	Disputed amount		
a)	**Income Tax** Disallowances / additions made by the income tax department	AY 2013-14	-	1.50	1.50
b)	**Sales Tax / VAT** Show cause notices / demands raised by Sales tax / VAT department	FY 2012-13/2013-14	48.28	11.48	108.26
			48.28	**12.98**	**109.76**

(Rs.in lacs)

		March 31,2017	March 31,2016	April 1,2015
B	**Commitments**			
	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	4.04	54.34	-

C Undrawn committed borrowing facility

a) The Company has availed working capital limits amounting to Rs. 1028.20 lacs from Yes Bank Limited. An amount of Rs. 971.80 lacs remain undrawan as at March 31, 2017.

b) The Working capital limit from Yes Bank is secured by way of:
- Whole of the Current Assets of the Company's stocks including raw material, semi-finished and finished goods, stores and spares relating to plant and machinery (consumable stores and spares), Bills receivables and book debts and all other receivables and movables (both present and future) whether lying or stored in or about or shall hereinafter from time to time during the security of these presents be brought into or upon or be stored or be in or about of the Company's Manufacturing units, premises and godowns situated anywhere.
- Whole of the Moveable Fixed Assets of the Company.
- All the book debts and receivables (both present and future) of the Company including outstanding monies receivable claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the Company in the course of its business.
- Non-disposable undertaking from Havells India Limited to maintain 51% shareholding in the Company.

D Leases

Operating lease commitments - Company as lessee

a) 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 and there are no subleases. The annual increments are expected to be in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.The Company has paid Rs. 40.52 lacs (previous year Rs.16.05 lacs) on account of rent of such premises.

27 OTHER NOTES ON ACCOUNTS

1 The Company has incurred following expenditure on Research and Development:

(Rs. in lacs)

		As At March 31,2017	As At March 31,2016
a)	**Revenue Expenditure**		
	Cost of Materials Consumed	41.49	30.69
	Employee Benefits Expenses	101.38	68.10
	Other Expenses	15.46	10.23
		158.33	**109.02**
b)	**Capital Expenditure**		
	Property ,plant and equiptment	7.07	71.52
	Intangible Assets	0.00	16.18
		7.07	**87.70**
	Total (a+b)	**165.40**	**196.72**

The reasearch and development facilities are located at the Head office,Bangalure and are approved by department of Scientific and Industrial Research, Ministry of Science and Technology, Govt. of India. The company is entitled to a weighted deduction of 200% of the expenditure incurred under section 35(2AB) of Income Tax Act,1961.

2 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 :

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

(Rs. in lacs)

	As At March 31,2017	As At March 31,2016
Employer's Contribution towards Provident Fund (PF)	34.27	31.15
Employer's Contribution towards Employee State Insurance (ESI)	7.31	9.42
	41.58	**40.57**

Defined Benefit Plan

Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to Gratuity which is equal to salary of 15 days for each completed year of service. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the unfunded gratuity amounts recognised in the balance sheet for the respective plans:

(Rs. in lacs)

		March 31,2017	March 31,2016
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Present Value of Defined Benefit obligation at beginning of the year	45.13	18.49
	Interest Expense	3.02	1.38
	Current Service Cost	12.00	7.15
	Benefit paid	(9.00)	-
	Remeasurement of (Gain)/loss in other comprehensive income		
	Actuarial changes arising from changes in demographic assumptions	-	(2.89)
	Actuarial changes arising from changes in financial assumptions	1.49	(0.96)
	Actuarial changes arising from changes in experience adjustments	(3.62)	21.96
	Defined Benefit obligation at year end	**49.02**	**45.13**
b)	**Net asset/ (liability) recognised in the balance sheet**		
	Fair value of plan assets	-	-
	Present value of defined benefit obligation	(49.02)	(45.13)
	Amount recognised in Balance Sheet- Asset / (Liability)	**(49.02)**	**(45.13)**
c)	**Net Benefit Expense (Recognised in the Statement of profit and loss for the year)**		
	Current Service Cost	12.00	7.15
	Net Interest Cost	3.02	1.38
	Net Defined Benefit Cost debited to statement of profit and loss	**15.02**	**8.53**
d)	**Remeasurement (gain)/ loss recognised in Other Comprehensive Income**		
	Actuarial changes arising from changes in demographic assumptions	-	(2.89)
	Actuarial changes arising from changes in financial assumptions	1.49	(0.96)
	Actuarial changes arising from changes in experience adjustments	(3.62)	21.96
	Return on Plan assets excluding interest income	-	-
	Recognised in other comprehensive income	**(2.13)**	**18.11**
e)	**Principal assumptions used in determining defined benefit obligation**		
		March 31,2017	**March 31,2016**
	Discount rate (per annum)	6.65%	7.60%
	Salary escalation	9.00%	9.00%
	Attrition Rate	28.00%	28.00%
f)	**Quantitative sensitivity analysis for significant assumptions is as below:**		**(Rs. in lacs)**
	Increase / (decrease) on present value of defined benefits obligations at the end of the year	**March 31,2017**	**March 31,2016**
	Discount Rate		
	Increase by 0.50%	(0.79)	(0.68)
	Decrease by 0.50%	0.83	0.70
	Salary Increase		
	Increase by 0.50%	0.72	0.55
	Decrease by 0.50%	(0.69)	(0.53)
	Attrition Rate		
	Increase by 10%	-1.01	(0.68)
	Decrease by 10%	1.14	0.74
g)	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	12.00	10.86
	Between 1 and 5 years	30.43	31.13
	Between 5 and 10 years	15.07	12.37
	Total expected payments		

h) The Company has not maintained any fund for the plan assets during the year.

i) The average duration of the defined benefit plan obligation at the end of the reporting period is 27.05 years

j) 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.

k) 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.

l) The sensitivity analysis 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 year.

m) The company expects the expected benefit payments to employees March 31,2017 :- Rs. 12.00 Lacs (March 31,2016:- Rs 10.86 Lacs) during the next financial year.

3 Segment Reporting

As the company's business activity primary falls within a single business and geographical segment,in view of the same, separate segment information is not required to be given as per requirements of IND AS -108.

4 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

(A) Names of related parties and description of relationship :

Holding Company	**Relationship**
1 Havells India Limited	Holding Company

Key Management Personnel	
1 Shri Kiran Moras	Director
2 Shri Joshy P P	Director (upto June.8, 2016)
3 Shri Nikhil Dass	Director (upto May 15,2015)

(Rs. in lacs)

(B) Transactions during the year	**March 31,2017**	**March 31,2016**
(i) **Sales of Finished Goods**		
Holding Company		
Havells India Limited	5,492.70	2,290.14
	5,492.70	2,290.14
(ii) **Purchase of Finished Goods**		
Holding Company		
Havells India Limited	20.23	21.80
	20.23	21.80
(iii) **Re-imbursement of Expenses Paid**		
Holding Company		
Havells India Limited	100.57	83.85
Key Management Personnel		
Shri Kiran Moras	5.02	5.00
Shri Joshy P P	0.45	5.90
Shri Nikhil Dass	-	5.69
	106.04	100.44
(iv) **Re-imbursement of Expenses Received**		
Holding Company		
Havells India Limited	112.38	-
	112.38	-
(v) **Managerial remuneration**		
Key Management Personnel		
Salaries,Wages,Bonus,Commission and other benefits		
Shri Kiran Moras	43.87	34.38
Shri Joshy P P	42.05	34.38
Shri Nikhil Dass	-	3.71
Total Managerial remuneration	85.92	72.47
(C) Balances at the year end		
(i) **Amount Receivables**		
Holding Company		
Havells India Limited	1,014.48	811.85
	1,014.48	811.85
(ii) **Amount Payables**		
Key Management Personnel		
Shri Kiran Moras	-	3.39
Shri Joshy P P	-	1.69
Shri Nikhil Dass	-	-
	-	5.08

a) 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 March 31, 2017, 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.

b) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the company as a whole, the amount pertaining to Key management personnel are not included above.

5 Fair values measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Rs. In lacs)

Financial instruments by category	Carrying Value			Fair Value		
	As At March 31,2017	As at March 31,2016	As at April 1,2015	As At March 31,2017	As at March 31,2016	As at April 1,2015
Financial assets at amortised cost						
Cash and bank balances	3.90	7.44	70.70	3.90	7.44	70.70
Other Financial Assets (current)	30.31	30.91	22.29	30.31	30.91	22.29
Other Financial Assets (non current)	45.30	36.72	20.15	45.30	36.72	20.15
Trade Receivables	1,296.21	1,571.89	820.19	1,296.21	1,571.89	820.19
	1,375.72	1,646.96	933.33	1,375.72	1,646.96	933.33
Financial Liabilities at amortised cost						
Trade Payables	1,453.65	922.73	801.82	1,453.65	922.73	801.82
Borrowings (current)	1,028.20	957.72	869.49	1,028.20	957.72	869.49
Other financial liabilities (current)	109.63	151.53	94.00	109.63	151.53	94.00
Borrowings (non current)	-	-	212.46			212.46
	2,591.48	2,031.98	1,977.77	2,591.48	2,031.98	1,977.77

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 was assessed to be insignificant

3) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

4) The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017, are as shown below

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2017

	Carrying Value	Fair Value		
Assets carried at amortized cost for which fair value are disclosed	March 31,2017	Level 1	Level 2	Level 3
Cash and bank balances	3.90	-	-	3.90
Other Financial assets (non-current)	45.30	-	-	45.30
Other Financial assets (current)	30.31	-	-	30.31
Trade Receivables	1296.21	-	-	1296.21
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	1453.65	-	-	1453.65
Borrowings (current)	1028.20	-	-	1028.20
Other financial liabilities (current)	109.63	-	-	109.63
Borrowings (non current)	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2016

	Carrying Value	Fair Value		
Assets carried at amortized cost for which fair value are disclosed	March 31,2016	Level 1	Level 2	Level 3
Cash and bank balances	7.44	-	-	7.44
Other Financial assets (non-current)	36.72	-	-	36.72
Other Financial assets (current)	30.91	-	-	30.91
Trade Receivables	1571.89	-	-	1571.89
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	922.73	-	-	922.73
Borrowings (current)	957.72	-	-	957.72
Other financial liabilities (current)	151.53	-	-	151.53
Borrowings (non current)	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as on April 1, 2015

	Carrying Value	Fair Value		
Assets carried at amortized cost for which fair value are disclosed	April 1,2015	Level 1	Level 2	Level 3
Cash and bank balances	70.70	-	-	70.70
Other Financial assets (non-current)	20.15	-	-	20.15
Other Financial assets (current)	22.29	-	-	22.29
Trade Receivables	820.19	-	-	820.19
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	801.82	-	-	801.82
Borrowings (current)	869.49	-	-	869.49
Other financial liabilities (current)	94.00	-	-	94.00
Borrowings (non current)	212.46	-	-	212.46

Note: The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

6 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) 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 risk such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017.The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial 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 March 31, 2017.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is party balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies.

(ii) Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognized by the Company that have not been hedged by a derivative

					Gain/ (loss)	
				March 31,2017	Impact on profit before tax and equity	
Currency	**Currency Symbol**	**Foreign Currency**		**Indian Rupees**	**1% increase**	**1% decrease**
United States Dollar	USD	$	(5.49)	(356.08)	(3.56)	3.56

				March 31,2016	Impact on profit before tax and equity	
Description of Currency	**Currency**	**Foreign Currency**		**Indian Rupees**	**1% increase**	**1% decrease**
United States Dollar	USD	$	0.01	0.66	0.01	(0.01)

				April 1,2015	Impact on profit before tax and equity	
Description of Currency	**Currency**	**Foreign Currency**		**Indian Rupees**	**1% increase**	**1% decrease**
United States Dollar	USD	$	0.03	1.88	0.02	(0.02)

Note:
Figures in bracket represents payables

(iii) Interest Rate Risk

Interest rate 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 Company's long term debt obligation at floating interest rates.The Company's borrowings outstanding as at March 31, 2017 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

(Rs. In lacs)

March 31, 2017	Increase/decrease in basis points	Impact on profit before tax
'Working capital demand loan from bank	+0.50	-0.42
	-0.50	0.42

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 is the carrying amounts. The Company's maximum exposure relating to financial is noted in the liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtors failing to engage in the repayment plan with the Company.

	As at March 31,2017	As at March 31,2016	As at April 1,2015
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)	**Rs in lacs**	**Rs in lacs**	**Rs in lacs**
Cash and Bank balance	3.90	7.44	70.70
Other Non-current financial assets	45.30	36.72	20.15
Other Current financial assets	30.31	30.91	22.29
	79.51	**75.07**	**113.14**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)			
Trade Receivables	1296.21	1571.89	820.19
	1,296.21	**1,571.89**	**820.19**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks
The ageing analysis of trade receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	As at March 31,2017	As at March 31,2016
	Rs in lacs	**Rs in lacs**
Neither past due nor impaired	1,042.71	960.46
0 to 180 days due past due date	47.46	541.93
More than 180 days past due date	206.04	69.50
Total Trade Receivables (gross of provision)	**1,296.21**	**1,571.89**

The following table summarises the change in loss allowance measured using the life time expected credit loss model:-		
At the beginning of the year	-	55.25
Provision during the year	84.30	67.61
Reversal of provision	-	-
Bad debts written off	26.14	122.86
At the end of the year	58.16	-

(c) 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 Comapny closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate soure of financing through the use of short term bank deosits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Mangement monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

(d) Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2017	Less than 1 year	1 to 5 years	Total
Borrowings	1,028.20	-	1,028.20
Trade payables	1,453.65	-	1,453.65
Other current financial liabilities	109.63	-	109.63

As at March 31, 2016	Less than 1 year	1 to 5 years	Total
Borrowings	957.72	-	957.72
Trade payables	922.73	-	922.73
Other current financial liabilities	151.53	-	151.53

As at April 1, 2015	Less than 1 ye	1 to 5 years	Total
Borrowings	869.49	212.46	1,081.95
Trade payables	801.82	-	801.82
Other current financial liabilities	94	-	94.00

(e) Capital Management

For the purposes of Comapany'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 maximise 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 March 31,2016 and as at April 1, 2015.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0% to 64%

Particulars	**March 31,2017 (Rs in lacs)**	**March 31,2016 (Rs in lacs)**	**April 1,2015 (Rs in lacs)**
loans and borrowings (net of cash and cash equivalents)	1,026.02	951.79	1,058.89
Net debt	1,026.02	951.79	1,058.89
Equity	1,567.67	1,700.56	479.90
Total Captial			
Capital and Net debt	2,593.69	2,652.35	1,538.79
Gearing ratio (Net Debt/Capital and Net Debt)	40%	36%	69%

7 Earnings per share

		March 31,2017 (Rs in lacs)	**March 31,2016 (Rs in lacs)**
a) Basic Earnings per share			
Numerator for earnings per share			
Profit after taxation		(134.36)	59.05
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	26,36,226	25,08,165
Earnings per share-Basic (one equity share of Re. 10/- each)	Rs.	**(5.10)**	**2.35**
b) Diluted Earnings per share			
Numerator for earnings per share			
Profit after taxation		(134.36)	59.05
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	26,36,226	25,08,165
Earnings per share-diluted (one equity share of Re. 10/- each)	Rs.	**(5.10)**	**2.35**

Note:

There are no instruments issued by the company which have effect of dilution of basic earning per share

8 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS 101) FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

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

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31,2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015(The Company's date of transition).In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies(Accounting Standards) Rules , 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position , financial performance and cash flows is set out in the following tables and notes.

A **Exemptions and exceptions availed**

A.1 Ind-AS optional exemptions :

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

A.1.1 **Deemed cost**

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

The Company has elected to consider fair value of its property, plant and equipment other than land and capital work in progress as its deemed cost on the date of transition to Ind AS. The Company has used depreciated replacement cost technique to compute the fair value on the date of transition. For Land and CWIP and Intangible assets the Company has applied principles of Ind AS 16 and Ind AS 38 retrospectively from the date of acquisition of tangible and intangible assets respectively.

A.1.2 **Leases**

Appendix C to Ind AS 17-" Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind-AS except where the effect is expected to be not material

The Company has elected to apply this exemption for such contracts/arrangements.

A.2 **Ind AS mandatory exceptions**

A.2.1 Estimates

An entity estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at at April 1,2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Impairment of financial assets based on expected credit loss model.

A.2.2 Derecognition of financial assets and financial liabilities :

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

A.2.2 Classification of financial assets and liabilities

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

A.2.3 Impairment of financial assets:

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

B **Reconciliations of Equity as on March 31, 2016 and April 01, 2015**

		As on March 31, 2016			As on April 1, 2015		
Particulars		**Indian GAAP**	**GAAP Adjustment**	**As per IND AS**	**Indian GAAP**	**GAAP Adjustment**	**As per IND AS**
ASSETS							
Non-current assets							
Property, plant and equipment	**A**	575.91	28.23	547.68	375.48	33.16	342.32
Capital work in progress		-	-	-		-	
Intangible assets		18.33	0.00	18.33		-	
Financial assets						-	
(i) Other financial assets	**B**	69.37	32.65	36.72	22.95	2.80	20.15
Deferred tax assets (net)		49.91	(5.94)	55.85	50.06	(10.23)	60.29
Other non-current assets		0.11	(26.71)	26.82	0.11	(2.80)	2.91
		713.63	**28.23**	**685.40**	**448.60**	**22.93**	**425.67**
Current assets							
Inventories		1,529.62	-	1,529.62	1,156.55	-	1,156.55
Financial Assets							
(i) Trade receivables		1,571.89	-	1,571.89	820.19	-	820.19
(ii) Cash and cash equivalents		5.93	-	5.93	23.06	-	23.06
(iii) Other bank balances		1.51	-	1.51	47.64	-	47.64
(iv) Other financial assets	**B**	30.91	-	30.91	22.29	-	22.29
Other current assets		63.78	-	63.78	71.95	-	71.95
		3,203.64	**-**	**3,203.64**	**2,141.68**	**-**	**2,141.68**
Total Assets		**3,917.27**	**28.23**	**3,889.04**	**2,590.28**	**22.93**	**2,567.35**
EQUITY AND LIABILITIES							
Equity		263.62	-	263.62	210.16	53.06	157.10
Equity Share Capital	**A**	1,465.17	28.23	1,436.94	292.67	(30.13)	322.80
Other Equity		**1,728.79**	**28.23**	**1,700.56**	**502.83**	**22.93**	**479.90**
Non-current liabilities							
Financial Liabilities							
(i) Borrowings		-	-	-	212.46	-	212.46
Provisions		45.01	-	45.01	29.43	-	29.43
		45.01	**-**	**45.01**	**241.89**	**-**	**241.89**
Current liabilities							
Financial Liabilities							
(i) Borrowings		957.72	-	957.72	869.49	-	869.49
(ii) Trade payables		922.73	-	922.73	801.82	-	801.82
(iii) Other financial liabilities		151.53	-	151.53	94.00	-	94.00
Other current liabilities		70.34	-	70.34	79.08	-	79.08
Provisions	**D**	35.92	-	35.92	1.17	-	1.17
Current Tax Liabilities (Net)		5.23	-	5.23		-	-
		2,143.47	**-**	**2,143.47**	**1,845.56**	**-**	**1,845.56**
Total equity and liabilities		**3,917.27**	**28.23**	**3,889.04**	**2,590.28**	**22.93**	**2,567.35**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of Total Comprehensive Income as at March, 31, 2016

Particulars	Reference	Indian GAAP	GAAP	As per IND AS
INCOME				
Revenue from operations (gross)		5,481.63	3.99	5,485.62
Less: Excise duty	C	469.32	(469.32)	-
Revenue from operations (net)		5,012.31	473.31	5,485.62
Other income		94.38	(3.99)	90.39
Total Revenue		**5,106.69**	**469.32**	**5,576.01**
EXPENSES				
Cost of materials consumed		3,329.15	-	3,329.15
Change in inventories of finished goods and work in progress		(226.82)	-	(226.82)
Excise duty on sales of goods	C	-	469.32	469.32
Employee benefits expenses		779.73	(18.11)	761.62
Finance costs		101.13	-	101.13
Depreciation and amortisation expenses	A	60.48	(4.93)	55.55
Other expenses		1,031.83	(25.71)	1,006.12
Total Expenses		**5,075.50**	**420.57**	**5,496.07**
Profit before tax and Exceptional Items		31.19	48.75	79.94
Profit before tax		**31.19**	**48.75**	**79.94**
Tax expenses				
Current tax		5.94	-	5.94
MAT Credit entitlement		(5.94)	5.94	-
Income tax for earlier years		4.91	-	4.91
Deferred tax		0.15	9.89	10.04
Total tax expense		**5.06**	**15.83**	**20.89**
Profit for the year		**26.13**	**32.92**	**59.05**
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
i) Re-measurement (gains)/ losses on defined benefit plans (refer note)	D	-	18.11	18.11
ii) Income tax effect		-	(5.60)	(5.60)
Other comprehensive income for the year, net of tax	E	**-**	**12.51**	**12.51**
Total comprehensive income for the year, net of tax		**26.13**	**20.41**	**46.54**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the reconciliation of equity as at April 1,2015 and March 31,2016 and the total comprehensive income for the year ended March 31,2016

A. Property ,Plant and Equipment (PP & E)

The Company has elected the option of fair value as deemed cost for property, plant & equipment ,Capital work in progress and intangible assets on the date of transition to Ind AS.This has resulted in decrease of Rs 33.16 lacs as at April 1,2015 in the value of PPE with corresponding decrease in retained earnings of Rs. 22.93 lacs and deferred tax liability of Rs. 10.23 lacs.

This lead to decrease in depreciation of Rs 4.93 lacs during the year ended March 31, 2016. Further, the Company has sold some of the assets which were fair valued as on the transition date.

B. Security Deposit

Under the previous GAAP, interest free security deposit (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS all financial assets are required to be recognised at fair value. Accordingly company has fair valued the security deposit retrosectively. Difference between the transaction value and fair value has been recognised as prepaid rent as on the date of transition.

C Excise Duty

Under the previous GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of statement of profif and loss account as a part of expense. This change has resulted in increase in total revenue and total expense for the year ended March 31, 2016 by Rs 469.32 lacs. There is no impact on impact on total equity and profit.

D Remeasurement of Defined Benefit Obligation

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss.Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognised in balance sheet through other comprehensive income.Thus, employee benefits expense is reduced by 18.11 lacs and is recognised in other comprehensive income during the year ended 31st March,2016. The related current tax expense of Rs 5.60 lacs has also been reclassified from Profit and loss account to other comprehensive account.

E Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

F Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows

9 Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	0.05	0.05
(+)Permitted receipts	-	0.10	0.10
(-) Permitted Payments	-	0.09	0.09
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	0.06	0.06

10 The figures have been rounded off to the nearest lacs of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than Rs. 500/-.

11 Figures relating to April 1, 2015 (date of transition) has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

12 Note No.1 to 27 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Sd/-
Per Manoj Kumar Gupta
Partner
Membership No. 83906

Noida, May 10, 2017

For and on behalf of Board of Directors

Sd/-
Rajiv Goel
Director
DIN:

Sd/-
Kiran Moras
Director
DIN: 2184904

Sd/-
Manish Bansal
Authorised Signatory