LEEL ELECTRICALS LIMITED
(Formerly Lloyd Electric & Engineering Ltd.)
159, Okhla Industrial Estate, Phase-III,
New Delhi - 110 020 (INDIA)
Tel. : +91-11-40627200, 40627300
Fax : +91-11-41609909
CIN : L29120UP1987PLC091016

October 04, 2018

The Listing Department
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Scrip Code: 517518

The Listing Department
National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

NSE Symbol: LEEL

Reg.: Annual Report for the FY 2017-18

Dear Sirs,

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report for FY 2017-18 in soft copy duly approved and adopted in the 31st Annual General Meeting held on September 28, 2018 at 09:30 am at Rama Ceremonial, Main Market, Sector-110, Kendriya Vihar-II, Noida, Uttar Pradesh-201301.

Kindly acknowledge the receipt.

Thanking You,

Yours faithfully,
For LEEL Electricals Ltd.

LEEL ELECTRICALS LTD. Company Secretary

Anita K. Sharma
Company Secretary & VP Finance
Encl: a/a

ENGINEERING AIR

ANNUAL REPORT 2017-18

LEEL Electricals Limited

(Formerly Lloyd Electric & Engineering Limited)

A Tribute to Our Chairman

(27.09.1945 - 05.12.2017)

Mr. Brij Raj Punj was natural and visionary leader. He was a simple and humble man and highly respected by all who knew him. He created a sense of corporate social responsibility in the culture of the group - long before it was made mandatory.

The Company has achieved so much with his vision, courage, tenacity and leadership. He was truly loved by everyone he touched. He has left behind a wonderful legacy. His values are living in the employees and the group, that he was instrumental in building.

The Company has lost its founding father and visionary leader. His passing is a sad and difficult time for all of us. But his values and vision shall continue to inspire us to work tirelessly towards the better future.

Bharat Raj Punj
Managing Director

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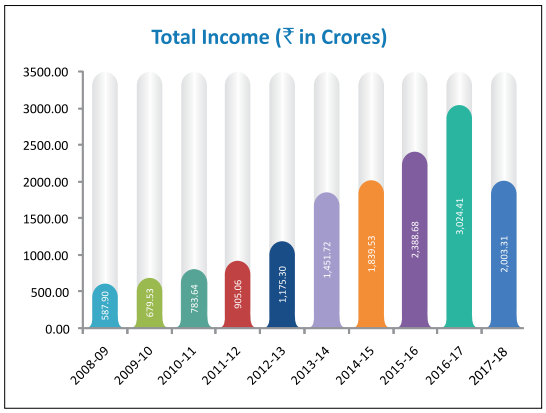
Key Financial Highlights

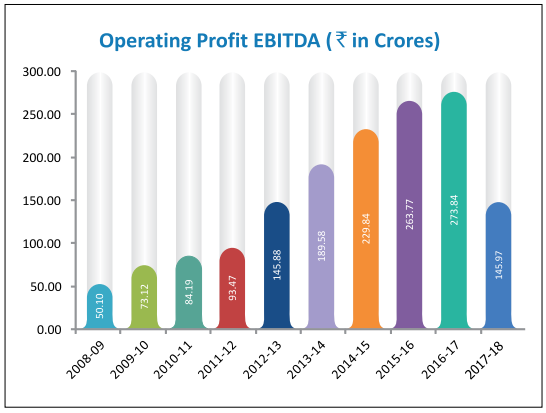
(₹ In Crores)

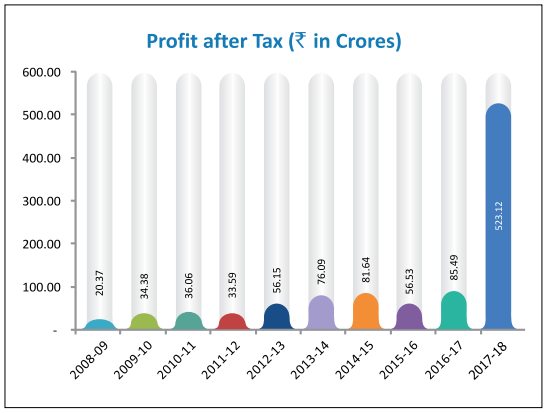
	Standalone IND AS			Standalone							Consolidated IND AS	
	2017-18	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**	**2010-11**	**2009-10**	**2008-09**	**2017-18**	**2016-17**
Total Income (Gross)	2,003.31	3,024.41	2,388.68	1,839.53	1,451.72	1,175.30	905.06	783.64	679.53	587.90	2,382.79	3,375.78
Operating Profit (EBITDA)	145.97	273.84	263.77	229.84	189.58	145.88	93.47	84.19	73.12	50.10	134.40	273.19
Profit Before Tax	691.30[3]	118.97	79.47	103.02	81.77	72.87	45.28	48.66	45.28	24.77	677.94[3]	104.28
Profit After Tax	523.12[3]	85.48	56.53	81.64	76.09	56.15	33.59	36.06	34.38	20.37	510.92[3]	70.34
Financial Position												
Paid up Share Capital	40.34	40.34	36.21	35.32	35.32	31.00	31.00	31.00	31.00	31.00	40.34	40.34
Share Capital Suspense	-	-	-	-	-	4.32	4.32	-	-	-	-	-
Total Paid up Share Capital	40.34	40.34	36.21	35.32	35.32	35.32	35.32	31.00	31.00	31.00	40.34	40.34
Reserves & Surplus	1,265.27	881.01	758.04	680.56	599.49	526.15	442.53	401.04	371.16	340.40	1,275.39	860.08
Shareholder's fund	1,305.61	921.35	813.69	738.69	634.81	561.48	473.85	432.05	402.16	371.40	1,315.73	900.42
Performance Indicator												
EPS (In ₹)	127.76	21.19	15.61	23.11	21.54	15.90	10.83	11.63	11.09	6.57	124.73	17.44

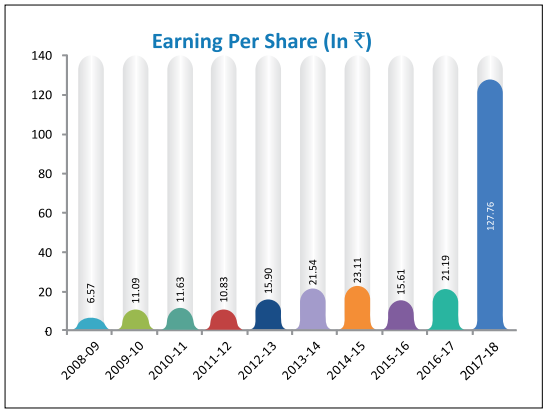
Note:
[1]Profit AfterTax includes Other Comprehensive income.
[2]Previous years figures are regrouped / re-arranged wherever considered necessary
[3]Profit before and after tax include exceptional items. For details please refer financial statements.

Standalone Financial Trends









*The financials of previous year 2016-17 is not comparable with financial year 2017-18 due to the sale of consumer durable business on May 08, 2017.

State of the Art Manufacturing Facilities in India

Moulding Machines

WAC Assembly Line

Test Lab Facility

With Cutting Edge Technology

Micro Channel Coil Facility

IDU Assembly Line

ODU Assembly Line

Rail HVAC

In-house Cable Harness & Control Panel Assembly

Rail HVAC Assembly Line

In-house Sheet Metal Fabrication

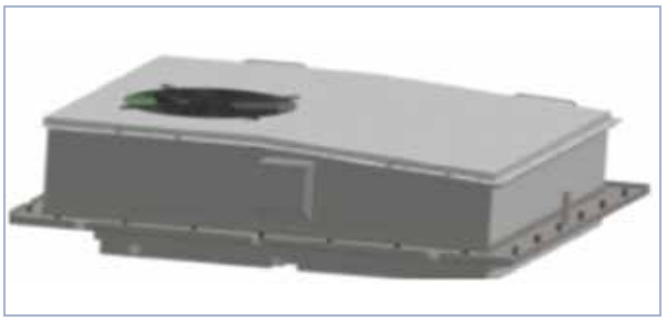
Fully Automatic Testing Facility

Product Portfolio

HVAC for Indian Railways Semi high speed train cars

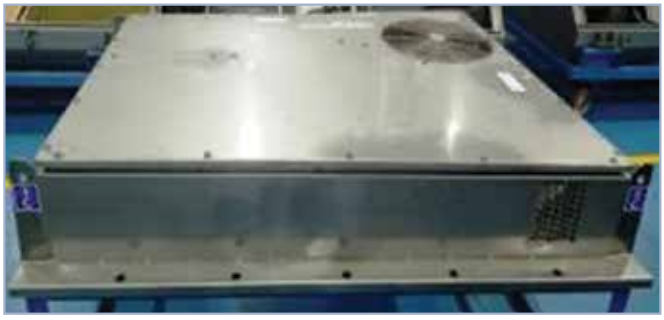
HVAC for Indian Railways Conventional type cars

HVAC for Indian Railways double decker train



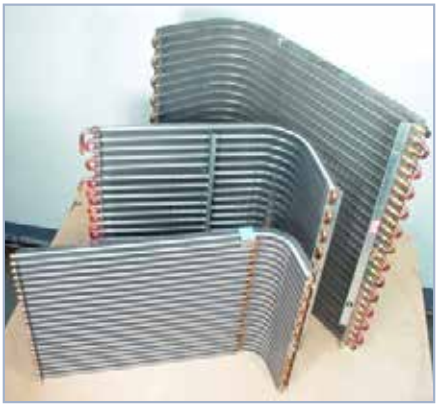
HVAC for Indian Railways Diesel Loco Cab

HVAC unit for Delhi Metro



HVAC for GE's Diesel Loco Cabins

Dry Cooler/Remote Radiator



Fin Tube Heat Exchangers

Indoor Units (IDU)

Outdoor Units (ODU)

Floor Standing AC

Window type Air Conditioners (WAC)

Subsidiaries' Product Portfolio

Evaporator

Copper Coil

Distributors

Air handling unit PremiAir

Fans

Air conditioning units for nuclear power plant

Cooler parts for generator cooling for hydroelectric power plant

Electric heater for nuclear power plant

Saloon for PESA TramSwing

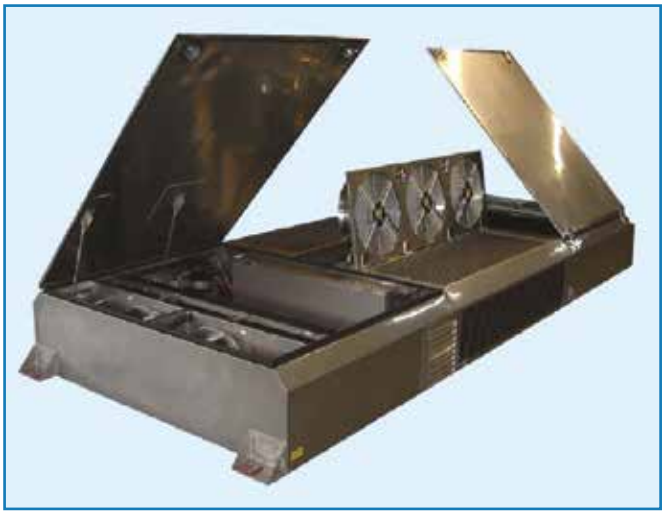
Driver´s cabine for PESA TramSwing

Fan condenser

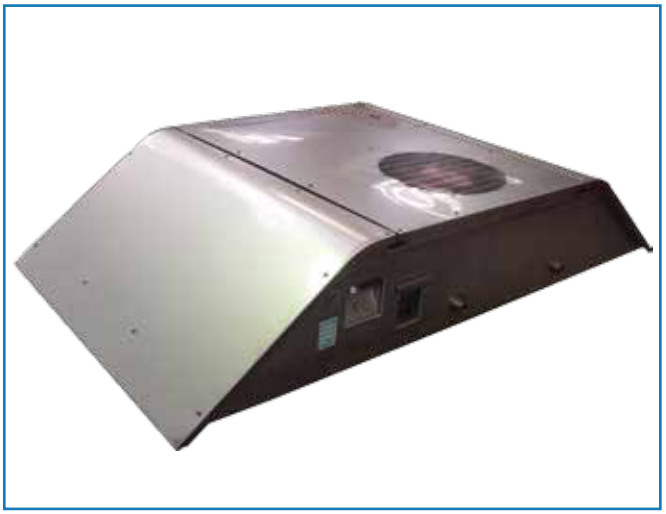
Domestic Hot Water Heater Hydrobox

4kw Rail Galley Trolley Chiller

7kW Roof-mounted Air-conditioning Unit



56kW Roof-mounted Air-conditioning Unit



8kW Roof-mounted Air-conditioning Unit

International Exhibitions

Trade fair MOSTRA, Milano, Italy

Trade fair Aquatherm, Kyiv, Ukraine

Trade fair Aquatherm, Prague, Czech Republic

Trade fair Trako Gdansk, Poland

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has always been a vital part of the overall sustainability policy of the Company encircling social, economic and corporate decisions for achieving business and financial success while leaving a constructive imprint on the society and environment. With an aim to attain the Company's social responsibilities "Pandit Kanahaya Lal Punj Trust" was established by our beloved Chairman & Managing Director Late Mr. Brij Raj Punj with a vision to fulfill the developmental needs of the marginalized and under privileged communities of the society and to make a difference in their lives, especially those who are not as privileged as many of us are.

The core focus areas of the Trust are to provide quality education to the underprivileged children through our flagship program "PKLP Schools", women empowerment through Women Empowerment Centers (WEC) by providing them vocational and skill development trainings to make them independent so that they can earn on their own and raise the living standards of their families and healthcare facilities and to promote organic farming to conserve the environment.

Your Company recognizes and embraces its commitment to the communities in which it operates and we believe that the private sector plays a vital role in driving innovation and building a domain that enhances education and entrepreneurship to foster economic growth. The Company has a comprehensive CSR strategy and focuses on the idea that a business has social obligations above and beyond profit.

OUR CSR INITIATIVES DURING THE YEAR:

1. EDUCATION

Education is a basic human right that should be exercised around the country, but for many girls in India, attending school is not an option. Education in rural areas is a key to eradicate poverty and illiteracy and we believe that it is the most compelling means to initiate social alterations and improve community development. We strongly believe that a girl's education is an essential starting point in establishing equality in the country. Education is the key ingredient and plays one of the most important roles in women empowerment.

The initiative of imparting free of cost quality education through 'PKLP Schools' are being undertaken by our philanthropic trust- "Pandit Kanahaya Lal Punj Trust" which is dedicated to bring about a change through holistic and excellent quality education to the underprivileged rural youth of the communities with a focus on the 'girl child' with a hope that these children will become agents of change and catalyze transformation. The primary objective behind the inception of PKLP Schools is to impart free of cost and quality education to the underprivileged children in the backward and rural areas where poverty is the major obstacle that limits education for girls. The PKLP Schools strive to provide modern infrastructure and amenities to enhance the learning levels of students by providing them exposure especially in English, life skills and communication.

PKLP Schools functioning at Tauru (Haryana) and Maneri (Madhya Pradesh) are iconic eleemosynary educational establishments run

Inauguration of new school building in Tauru, Haryana.

by the Trust, as they are providing gratuitous education adorned with all facilities like free food, books, stationary, uniforms, medicines and other basic amenities. The schools with their recent past have become places where intellectual, social, emotional, spiritual, aesthetic, and physical development of the girl child are catered to enhance their growth and is playing a distinctive role of a torch bearer in this darkened and ignorant part of the nation.

During the year 2017-18, the Trust completed the construction of a new school building at village Nizampur, Tehsil Tauru, distt Mewat, Haryana. The school has been constructed on the land owned by the trust and inaugurated on September 29, 2017. The school has been constructed on an area of 30,000 Sq. feet approx. having 15 modern class rooms equipped with computers and LED screens and having sitting capacity of 300 students at a time. The school is following XSEED program for imparting quality education and the teachers are provided with better resources and regular trainings.

Academics

PKLP Schools have replaced traditional one step telling and memorizing pattern with XSEED's proven five step experiential learning method which is enabling us to lay firm foundations for life. XSEED is a proven and research based academic program for schools that builds thinking skills & problem solving confidence in children. An academic solution has been designed to raise the level of learning where concepts are taught through hands-on experimentation followed by observing, questioning, applying and analyzing. With this, we are witnessing the children becoming confident and ready with skills required for higher studies and career. As our children in an XSEED classroom grasp core concepts better, communicate fluently in English and perform better on reasoning and application based tests, consequently securing fabulous results in internal assessments as well as Learnometer, a special national test conducted by XSEED which tells how much students understand what is taught in the school and how well they can apply this knowledge in the real world, also showing each child's comprehensve and grasping of the English language. The teachers are better resourced and regularly trained, children have application practice workbooks for every subject in addition to textbook, assessment is on skills, in addition to concepts, and the school leadership has a highly skilled education coach to consult with.

Extra-Curricular Activities

Today's world calls for students who can excel in every field and are not only rote memorizers of the subject matter. With this in mind, we at PKLP Schools aim at providing ample opportunities for students to become creative and take initiative to excel in public speaking and expression of their thoughts. PKLP Schools have a vibrant and colorful cultural calendar. The school gives equal importance to academic, sports and co-curricular activities thereby aiding all round development of children. The schools have been able to amalgamate extracurricular activities into academic framework and also provide students, a platform to showcase their talents. With this objective number of literary competitions like Reading, Recognition, Elocution, Paragraph Writing, Poem Writing, Story Writing, G.K. Quiz, Extempore speech, Show & Tell, Drawing & Painting have been organized from time to time. The winners are felicitated to encourage them and the others.

To inculcate the quality of leadership, team leaders amongst the students are selected and assigned various obligations to develop their managing and handling skills. Investiture ceremony was organized in which the selected office bearers pledged to fulfill their duties with sincerity and dedication. Independence Day was celebrated with the spirit of patriotism, a meaningful tableau act depicting the unique feature of our motherland "Unity in Diversity" based on the concept where individual or social differences in physical attributes like caste, creed, cultural or religious practices are not looked upon as a matter of conflict, rather these differences are considered as varieties that enrich the society and nation as a whole. As festivals are an expressive way to celebrate glorious heritage and culture and see the positive side of life with a purpose to pass the legends, knowledge and traditions onto the next generation. These were celebrated by school children with zeal and enthusiasm.

Outdoor Activities

The students are frequently taken for outdoor visits to places like Police Station, Post office, Fire Station, Electricity Power Station, Airport, Wild Life & Archeological Museums to make them aware about the social and economic structure of the society and the environment.

Health & Nutrition

Good health and nutrition is a key for the overall development of children to grow appropriately and live a healthful life. Apart from the education facilities, the schools have their own in - house kitchen that provides free of cost, healthy food to the children to cater their nutrition needs. Further, frequent health checkups are organized in the schools to keep a record of the health conditions of the students and monitored by the experts regularly.

The schools have also organized various medical camps during the year with the help of qualified doctors to provide medical checkups and vaccinations to the students such as Typhoid, Polio, Hepatitis B and have also conducted hemoglobin and other tests to ascertain the health condition of the students so that they can be provided with proper medical assistance alongwith yoga sessions which are being conducted every month.

With necessary vaccination, medical attention and proper nutrition, the children are now more healthier and medically fit.

2. WOMEN EMPOWERMENT

Woman is the core of the family, particularly in rural areas, she not only takes care of the household responsibilities but also plays a substantial role in preserving the culture, grooming the children and shaping their future and destiny. Empowering women is to make them independent in all aspects from mind, thoughts, rights and decisions.

In line with this objective Women Empowerment Centers (WEC) in Jabalpur and Tauru were established by the Trust during the financial year 2016-17 for imparting vocational training in tailoring to the women of rural areas so that they can also earn some money and support their families.

In WECs the women coming from a state of disempowerment are recreated to accomplish a circumstance that they were previously denied. We are struggling hard to pull women from poverty,

hunger, nervousness, backwardness, ignorance and trying to empower them the way to live their life with self-respect as we strongly believe that by empowering women, society can progress.

The WEC is working for the Indian army continuously for the past one year. The center at Jabalpur got the first order from the JAK Rifles in the year 2017 and since then, the center is getting continuous orders and the orders are completed without any compromise and complaints w.r.t. quality and perfection. Until now, the center has made uniforms for various regiments of the Indian army and few government departments like National Cadet Corps (NCC), Central Industrial Security Force (CISF) and Department of Forest and stitching Cheetah uniforms of the Border Security Force (BSF) at large scale.

On the other hand, WEC situated in Tauru got continuous orders for stitching of school uniforms for the children of the Government Schools through UNIFO, uniform for security agencies, apart from stitching uniforms and cloths for government and outside agencies, the WEC at Tauru is continuously stitching uniforms for the workers of the factory of the Company situated at Bhiwadi and school uniforms for the students of the PKLP Schools.

3. ORGANIC FARMING

In the year 2016-17, we ventured into a lesser known concept of Organic Farming under the guidance of the experienced team of doctors, scientists and agriculturists.

Since then, PKLP Schools have managed to bring changes in terms of productivity and quality yielding by motivating and training the farmers for proper implementation of Organic Farming. With the help of the Trust, the farmers have built worm pits in the village where they were taught to rear earth worms and make organic manure and provided them with other organic farming techniques. In the year 2017-18 the farmers did cultivation under the expert's guidance and got better results as compared to previous years when they were cultivating using chemicals and pesticides. A comparison was made between the fields of the farmers following organic farming and the fields in which organic farming was not being done, the improvement could be seen not only in terms of quantity, quality and duration but also in survival of good crop in spite of rocky surface and deficiency of water alongwith increase in fertility of soil.

At an average in the previous year a farmer produced 1 quintal of maize and this year, with scarce rainfall he produced 1.5 quintals of maize. In rice production, there was an increase of 2 quintals as compared to last year from 4 quintals to 6 quintals in the same area of farm. In addition they saved ₹ 7000 - 8000 rupees per acre each season on renting of tractors and purchase of chemical fertilizers and pesticides.

A remarkable difference is evident in the fields of the farmers who have opted for Organic Farming; as a result, more people are approaching us for our guidance.

We hope that our CSR initiatives shall make a difference in the lives of people.

"Creating a strong business and building a better world are not conflicting goals - they are both essential ingredients for long-term success" Bill Ford

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Bharat Raj Punj
Managing Director

Mr. Achin Kumar Roy
Whole Time Director

Mr. Mukat B. Sharma
Whole Time Director & Chief Financial Officer

A.V.M. Surjit Krishan Sharma VSM (Retd.)
Non-Executive Independent Director

Mr. Ajay Dogra
Non-Executive Independent Director

Mr. Ramesh Kumar Vasudeva
Non-Executive Independent Director

Dr. Geeta Ajit Tekchand
Non-Executive Independent Director

Ms. Deepti Sahai
Non-Executive Independent Director

COMPANY SECRETARY

Ms. Anita K. Sharma
Company Secretary & VP Finance

STATUTORY AUDITORS

Goel Garg & Co.
Chartered Accountants

SECRETARIAL AUDITOR

Sanjay Chugh
Practicing Company Secretary

COST AUDITORS

Jain Sharma & Associates
Cost Accountants

BANKERS

State Bank of India

IndusInd Bank

Axis Bank

IDBI Bank

Karnataka Bank

Jammu & Kashmir Bank

Societe Generale

Bank of Baroda

Syndicate Bank

SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153A, Okhla Industrial Area,
Phase- I, New Delhi 110020
Tel: 011-40450193-97
Fax: 011-26812684
email: admin@skylinerta.com

REGISTERED OFFICE

Unit No. 8, Block B,
Old District Courts Complex,
Industrial Area, Phase-II,
Noida, Uttar Pradesh 201305
Ph.: 0120-4098444

CORPORATE OFFICE

159,Okhla Industrial Estate,
Phase- III, New Delhi- 110020
Ph: 011-40627200- 300
Fax: 011-41609909
email: investor.relation@leelelectric.com
website: www.leelelectric.com

MANUFACTURING PLANTS

Domestic
(Owned and Leased)

1. A-146, (B&C) RIICO
   Industrial Area,
   Bhiwadi Distt. Alwar,
   Rajasthan 301019.

2. Industrial Area, Kala-Amb,
   Trilokpur Road, Sirmour,
   Nahan, Himachal Pradesh.

3. Plot No. 24, Sector 2,
   IIE, SIDCUL Pantnagar,
   Uttarakhand.

4. Plot No. S21 & 22, Non SEZ,
   Phase III, Sipcot Road,
   Mugundarayapuram, Ranipet,
   Vellore Distt, Tamilnadu.

5. Bahadarabad, Mehdood,
   Industrial Park, 2 Salempur,
   SIDCUL, Haridwar, Uttarakhand.

6. Village Nizampur, Tauru- Rewari,
   Tehsil Tauru, Dist. Mewat, Haryana.

Overseas
(Owned by Subsidiaries)

1. LEEL Coils Europe s.r.o
   (Formerly Lloyd Coils Europe s.r.o)
   Prague-5, Radotin, Vrazska 143,
   Czech Republic, Postal code 15300.

2. Noske-Kaeser Rail & Vehicle
   New Zealand Limited
   20, Noel Rodgers Place,
   Milsone, Palmerston,
   North, 4414 New Zealand.

STATUTORY REPORTS

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 31st Annual Report on the business and operations of the Company along with the Standalone and Consolidated Audited Accounts for the Financial Year ended on March 31, 2018.

SUMMARISED FINANCIAL RESULTS

(₹ in crore, except per share data)

	STANDALONE for the year ended		CONSOLIDATED for the year ended	
Particulars	**March 31, 2018**	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
Revenue from Operations	**1,962.57**	**3,022.43**	**2,342.36**	**3,373.25**
Other Income	40.74	1.98	40.43	2.53
Earnings before Interest, Depreciation & Tax (EBITDA)	145.97	273.83	134.40	273.19
Finance Cost	66.55	118.89	68.73	119.95
Depreciation	33.35	35.97	45.17	48.96
Profit from ordinary activities but before exceptional items	**46.07**	**118.97**	**20.50**	**104.28**
Exceptional Items	645.23	-	657.44	-
Profit before tax	**691.30**	**118.97**	**677.94**	**104.28**
Less: Current Tax	167.37	36.20	167.53	36.93
Deferred Tax	1.70	(2.37)	0.38	(2.65)
Profit for the year	**522.23**	**85.14**	**510.03**	**70.00**
Add: Other Comprehensive Income	0.90	0.35	0.90	0.35
Total Comprehensive Income	**523.12**	**85.48**	**510.92**	**70.34**
Earnings Per Share (EPS) for continuing operations including exceptional items (₹)	**127.76**	**22.28**	**124.73**	**18.25**
Earnings Per Share (EPS) for discontinued busiess (₹)	**1.94**	**-**	**1.94**	**-**

PERFORMANCE OF THE COMPANY

For the financial year ended March 31, 2018, on standalone basis, the revenue from the operations stood at Rs.1,963 Crores as compared to Rs. 3,023 Crores during the previous year. EBITDA for the year was Rs.146 Crores as compared to Rs.274 Crores in the previous year. The profit before exceptional item and the tax stood at Rs.46 Crores as compared to Rs.119 Crores during the last year and the finance cost during the year was Rs. 67 Crores as against Rs. 119 Crores during the previous year. The profit after exceptional item and tax stood at Rs. 522 Crores as against Rs. 85 Crores during the previous year. The total comprehensive income for the year stood at Rs. 523 Crores as compared to Rs. 85 Crores during the previous year. Figures of the year under review are not comparable with the corresponding year, due to the sale of Consumer Durable Business w.e.f. May 08, 2017.

On the consolidated basis, the revenue from the operations for the year ended March 31, 2018 was Rs. 2,342 Crores as compared to Rs. 3,373 Crores during the previous year. EBITDA for the year stood at Rs. 134 Crores as compared to Rs. 273 Crores in the previous year. The consolidated profit before exceptional item and tax stood at Rs. 20 Crores and after exceptional items and tax was Rs. 510 Crores as compared to Rs. 104 Crores and Rs. 70 Crores respectively during the previous year. The total comprehensive income for the year stood at Rs. 511 Crores as compared to Rs. 70 Crores during the previous year. For detailed review, please refer Management Discussion and Analysis Report as attached and forms part of Annual Report.

SLUMP SALE OF CONSUMER DURABLE BUSINESS

During the year under review, the company sold its consumer durable business as a going concern to Havells India Ltd, on a slump sale basis on May 8, 2017 for an enterprise value of Rs. 1,550 crores, on debt free cash free basis.

The company received upfront consideration of Rs. 1,458 crores and balance as per the terms of the agreement, would be released upon finalization of the closing financials which is under process as on the date of this report.

The proceeds from the disinvestment has been utilized by the company partially towards deleveraging the balance sheet by repaying the long term and short term borrowings and partially towards capital investment in view of strategic expansion by increasing capacity at existing plants, setting up new plants at various locations to tap up with the increased demand of customers in the Heating Vantalion and Air Conditioning industry.

OPERATION

During the year under review, your Company organized its revenue stream primarily into the following three reportable business segments:

a) Consumer Durable Business (discontinued w.e.f. May 8, 2017);

b) OEM & Packaged Air conditioning Segment; and

c) Heat Exchangers & Components Segments.

Consumer Durable Segment: During the year under review, the Company had sold its Consumer Durables business to Havells India Limited on May 08, 2017. The Company has classified this business as discontinued business. Till May 08, 2017, the Consumer Durable Business reported revenue of Rs. 424 Crores.

The air conditioning industry had witnessed tough time during the financial year under review. Output took a hit because of a host of disruptions such as GST transition, a modest festive season, change in rating standards and a subdued summer of 2017. The AC production volumes grew a minuscule 7 per cent in Financial Year 2017-18. Major brands reported a subdued volume growth during the year 2018. A major factor that impacted RAC volumes in FY18 was the change in energy efficiency ratings. The Bureau of Energy Efficiency (BEE) introduced a new star rating methodology called Indian Seasonal Energy Efficiency Ratio (ISEER) for air conditioners in 2016, which came into effect in January 2018.

Your Company being an OEM supplier to various brands in India witnessed the downside too, yet the sales from this segment grew from Rs.936 crores to Rs.964 crores.

Heat exchangers and the component segment caters to the manufacturing of heat exchangers and the evaporator coil for the heating ventilation and the air conditioning industry and copper and brass heat exchangers for the railways, heavy automobiles and other industrial applications and the component business of sheet metal. During the year, the revenue of the segment stood at Rs.640 Crores as compared to Rs. 604 Crores during the previous year.

For detailed performance review, please refer Management Discussion and Analysis Report as attached herewith and forms part of the Annual Report.

DIVIDEND

The Board of Directors had, in its meeting held on May 30, 2017, declared a special dividend (one time dividend) of Rs.20 per equity shares of the face value of Rs.10 each (200%) out of proceeds of sale of Consumer Durable Business, aggregating to Rs.97.08 Crores (including dividend distribution tax) which was duly paid on 15.06.2017.

The Board of Directors had, in its meeting held on May 30, 2018 decided to treat the special dividend declared and paid during the financial year 2017-18 as the final dividend.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the Reserves and Surplus account.

SHARE CAPITAL

During the period under review, there was no change in the share capital of the Company. The authorized share capital of the Company stood at Rs.70 Crore, divided into 7 Crore equity shares of Rs.10 each and issued and subscribed capital of the Company stood at Rs. 40.35 Crore and the paid-up share capital stood at Rs. 40.34 Crore as at March 31, 2018.

INDIAN ACCOUNTING STANDARD (IND AS)

The financial statements are prepared in accordance with the new Indian Accounting Standards notified by the Ministry of Corporate Affairs vide its notification dated February 16, 2015.

SUBSIDIARY COMPANIES

As of the beginning of the financial Year, the Company had five direct wholly owned subsidiaries (WOS) viz; LEEL Coils Europe s.r.o. (formerly Lloyd Coils Europe s.r.o.), Janka Engineering s.r.o., Noske Kaeser Rail & Vehicle Germany GmbH, Noske Kaeser US Rail & Vehicle LLC, Noske Kaeser Rail & Vehicles New Zealand Ltd. and two Indirect WOS through Noske Kaeser Rail & Vehicles New Zealand Ltd. (NKNZ) viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Equipamentos de Aquecimento, Ventilação e Ar Condicionado Ltda (formerly Noske Kaeser Empreendimentos e Participacoes Do Brasil Ltd.) (liquidated).

During the period under review, the Board of Directors of the Company had, in its meeting held on November 14, 2017, approved the restructuring of LEEL Coils Europe s.r.o. and Janka Engineering s.r.o. which involved spinning off certain common assets and liabilities including employees and amalgamate with a new entity set up as a wholly owned subsidiary of the Company in the Czech Republic to provide the common services to them. The appointed date for the restructuring was January 1, 2018.

In pursuant to the above, the new entity LEEL Services s.r.o., became the WOS of the Company w.e.f. 18.11.2017 and the spin off process was duly approved by the competent authorities of the Czech Republic effective as on the appointed date i.e. January 01, 2018.

The aforesaid restructuring has consolidated the selected assets and resources into a new entity and enabled the better management and control over the resources without any change in ultimate ownership over the existing aforesaid WOS(s). Further, there was no impact of said restructuring on the existence of restructured WOSs and they continued to operate in their respective business segments during the period under review.

After the balance sheet date following events have occurred with respect to subsidiaries.

Voluntary Insolvency of Noske Kaeser Rail & Vehicle Germany GmbH ('NKG'): NKG was acquired in March, 2016 from an insolvency administrator with an intention that this acquisition would open up immense opportunity for the Company in providing technical and engineering solutions in the highly specialized segment of Rail HVAC and expand its business globally. However, inspite of the financial contributions and various measures undertaken to turnaround the subsidiary since the date of its acquisition, it continued to lose mainly on account of legacy orders which were executed by the subsidiary at significant losses and thus, couldn't run the operations in a self-sustainable mode and leaving no option but to file for insolvency. The Tribunal of Hamburg has appointed the insolvency administrator to manage the operations and to find an investor for taking over of NKG or put it into bankruptcy.

Sale of Janka Engineering s.r.o. ('Janka'): Janka also continued to deliver weak results and hence, the Company decided to explore the possibility of divesting its stake in it and appointed foreign consultant to look out for the prospective buyer. On the date of this report, the Company had approved the disinvestment of its 100% shareholding in Janka including all assets, liabilities, trademarks and employees to Multicraft Group for a total consideration of 45 Million Czech Crowns (equivalent to approximately Euro 1.75 Million). The closing shall take place before the end of August 2018 subject to the customary closing conditions including regulatory approvals.

Incorporation of new India Subsidiary: The new Indian subsidiary was incorporated viz; 'LEEL Engineering Private Limited' in the state of Delhi on April 03, 2018 with an object to do business in the field of all types of engineering and electricals equipment and machinery. The Company holds 99% of the total share capital of the Company.

Dissolution of Noske-Kaeser Equipamentos de Aquecimento, Ventilação e Ar Condicionado Ltda. (Indirect subsidiary through NK NZ): As there was no operation in the subsidiary the same has been voluntary dissolved and as on the date of approval, the applicable authority had also approved the dissolution and now this entity ceased to exist.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 (Act). There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and its subsidiaries existing as on March 31, 2018, which form part of the Annual Report except Noske Kaeser US Rail & Vehicle LLC, which is yet to commence its operation and is in dormant state.

Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC 1 is attached to the financial statements of the Company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and accounts of each of its subsidiaries, are available on our website www.leelelectric.com .These documents will also be available for inspection during business hours at our corporate office situated at 159, Okhla Industrial Estate, Phase III, New Delhi 110020.

For detailed performance review of subsidiaries, please refer the Management Discussion and Analysis Report, attached herewith and forms part of the Annual Report.

GLOBAL DEPOSITORY RECEIPTS

During the year under review, the Board of Directors in its meeting held on November 14, 2017, decided to terminate the Global Depository Facility and Deposit Agreement with the Bank of New York Mellon ('the BNY') in view of cost involved in maintaining the small number of outstanding Global Depository Receipts (GDR) (i.e. 8,000 GDR's underlying 16,000 equity shares) which were also listed on London Stock Exchange.

In view of the above, the BNY had issued 90 days' notice to GDR holders on December 8, 2017 regarding termination of the GDR facility and Deposit Agreement between the BNY and the Company and had also given an opportunity to the GDR holders to convert their GDRs into underlying equity shares subject to the terms of the Deposit Agreement and applicable laws or regulations.

Upon the completion of 90 days' notice, all the outstanding GDRs have been converted and / or cancelled and there were no GDR pending as on 31.03.2018. Further, as the security ceases to exist, the Company also went for voluntary delisting of its GDRs from London Stock Exchange (LSE), which was duly approved and got effected w.e.f. April 05, 2018.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and rules made thereunder.

CORPORATE GOVERNANCE

Your Company has always laid a strong emphasis on transparency, accountability and integrity and believes that good governance is the basis for sustainable growth of the business and for enhancement of shareholder value. We keep our governance practices under continuous review and benchmark ourselves to the best governed Companies across the globe.

The report on corporate governance forms an integral part of this report and is set out as separate section to this annual report. The certificate of Mr. Sanjay Chugh, Practicing Company Secretary, acting as the Secretarial Auditors' of the Company certifying compliance with the conditions of corporate governance as stipulated in Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the report on corporate governance.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Management Discussion and Analysis Report is attached herewith and forms a part of the Annual Report.

LISTING AGREEMENT

The equity shares of the Company are listed at BSE Ltd. and National Stock Exchange of India Ltd.

The Annual Listing fees to the above Exchanges for the Financial Year 2018-19, as applicable have been paid well before the due date.

CORPORATE SOCIAL RESPONSIBILTY (CSR)

The Company believes that CSR is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all the stakeholders. The Company has always endeavored to promote education and well-being of weaker sections of society.

In recognition of this, the Company concentrates most of its sustainability / CSR efforts by actively supporting the education and social causes through its philanthropic arm "Pandit Kanahaya Lal Punj Trust".

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

Further, details about the CSR policy and initiatives taken by the Company on CSR during the year are available in our website. The annual report on our CSR activities is appended as Annexure 1 to the Board's Report.

EXTRACT OF THE ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 effective from July 31, 2018, an extract of the annual return in the prescribed format is available on the website of the Company viz. www.leelelectric.com

SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

NUMBER OF MEETINGS OF THE BOARD

The Board met four times during the financial year viz; on May 30, 2017; August 10, 2017; November 14, 2017 and February 14, 2018. The necessary quorum was present at all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013. For composition, category and attendance of directors please refer the Corporate Governance Report which forms part of the Board's Report.

COMMITTEES OF THE BOARD

The Board has five committees viz; the Sub-Committee of the Board, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee.

The details pertaining to composition of above committees are included in the Corporate Governance Report, which forms part of the board's report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, has been disclosed in the corporate governance report, which forms part of the Board's Report.

BOARD EVALUATION

In pursuance to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of committees. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, board meetings and effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the compliance with the terms of reference of the committees, composition of committees, functions and duties, committee meetings & procedures, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings, attendance, independent judgment etc. During the year, Mr. Brij Raj Punj, Chairman and MD of the Company passed away and the Board Members selected the Chairman of the each meeting amongst them. Hence, the evalution of the Chairman of the Board was not conducted during the year.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and individual directors was discussed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPS)

During the year under review, Mr. Brij Raj Punj, Chairman & Managing Director of the Company passed away on December 05, 2017. The Company have achieved so much with his vision, courage, tenacity and the leadership. The Board pays homage to its Chairman.

Mr. Bharat Raj Punj (DIN: 01432035), Deputy Managing Director and son of Late Mr. Brij Raj Punj, was elevated as Managing Director of the Company w.e.f. May 30, 2018 by the Board in its meeting held on May 30, 2018.

Mr. Achin Kumar Roy (DIN: 01475456) Whole Time Director of the Company was re-appointed for a further period of two years w.e.f. April 28, 2018 by the Board of Directors in the meeting held on February 14, 2018. Further, pursuant to provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, he will also retire by rotation at the 31st Annual General Meeting and being eligible, has offered himself for re-appointment.

During the financial year under review, Mr. Nipun Singhal (DIN:02026825), who was the business head of the Consumer Durable Business segment, had stepped down and resigned from the Directorship of the Company w.e.f. May 08, 2017, pursuant to the sale of aforesaid segment to Havells India Ltd.

As at the end of financial year, the Company is having five KMPs viz. Mr. Bharat Raj Punj, Managing Director (w.e.f. 30.05.2018), Mr. Achin Kumar Roy, Whole Time Director, Mr. Mukat B. Sharma, Whole Time Director & Chief Financial Officer and Ms. Anita K. Sharma, Company Secretary & VP Finance.

The appointments / re-appointments as aforesaid are placed before the shareholders for their approval alongwith the brief profile in the notice of 31st Annual General Meeting ('AGM"). The Board recommends the appointment /re-appointments of above said directors.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the financial year ended March 31, 2018 are in conformity with the requirements of the Companies Act, 2013. Pursuant to Section 134(5) of the Companies Act, 2013, your directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;

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

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

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

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

AUDITORS & AUDITORS' REPORT

STATUTORY AUDITORS

The provision of section 139 of the Companies Act, 2013 requires that the statutory auditor may be appointed by the shareholders for a period of five consecutive years; however, the said appointment needs to be placed for ratification by the members in each AGM. Now, with effect from May 07, 2018, the aforesaid requirement related to annual ratification of appointment of statutory auditors by the members has been omitted by the Companies (Amendment) Act, 2017. Hence, the resolution for ratification of appointment of M/s Goel Garg & Co. Chartered Accountants (Firm Regn. No. 000397N) as the statutory auditor, whose appointment was approved by the members in the 30th AGM for a term of five consecutive years, has not been put for motion as an ordinary business in the 31st AGM.

Auditors' Report and the Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

The Board has re-appointed M/s Jain Sharma & Associates, Cost accountants, as cost auditors of the Company for the financial year 2018-19 at a fee of Rs. 2,06,250/- (including out of pocket expenses) plus applicable taxes, subject to the ratification of the said fees by the shareholders at the ensuing 31st AGM.

The Company has also received a certificate from M/s Jain Sharma & Associates confirming that their appointment is in accordance with provisions of section 139, 141 & 148 of the Companies Act, 2013.

The cost audit report of the financial year 2017-18 would be filed with the Central Government within the prescribed time.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Sanjay Chugh Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report (in prescribed Form MR-3) for the financial year ended March 31, 2018 is appended as Annexure 2 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed Mr. Sanjay Chugh, Practicing Company Secretary, as secretarial auditors of the Company for the financial year 2018-19 also.

PARTICULARS OF LOANS AND GUARANTEES

The particulars of loans, guarantees and investments have been disclosed in the notes to the financial statements.

PARTIULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year under review, no material transactions, contracts or arrangements as defined under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014 were entered with the related parties by the Company.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable and hence, not annexed.

For details on related party transactions entered during the year, members may refer to the notes to the standalone financial statement.

RISK MANAGEMENT

The Audit Committee in supervision of Board of Directors is responsible for identifying, evaluating and managing all significant risks faced by the Company. The detailed statement indicating the development and implementation of risk management policy including identification therein of elements of risk has been covered in the management discussion and analysis, which forms part of this report.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statement, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The detailed information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

VIGIL MECHANISM

The Company has implemented a Whistle Blower Policy and has established a vigil mechanism for employees and directors to report their genuine concerns. The Policy provides for a mechanism to report genuine concerns to Whistle Counselor or the Whistle Blower Committee and in exceptional cases, the Chairman of the Audit Committee of the Company. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of the Whistle Blower Policy/ Vigil mechanism have been disclosed on the website of the Company.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY AND MATERIAL EVENTS OCCURRED AFTER BALANCE SHEET DATE

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments/events, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are given in Annexure 3 to this Report.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as Annexure 4 to the this report. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Rules are available at the Corporate Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder upon request.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. The Company, through the policy ensures that all such complaints are resolved within defined timelines. During the year, no case was reported.

ACKNOWLEDGEMENT

We thank our shareholders, customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We also place on record deep appreciation to various statutory authorities, Central and State Governments and Government of various countries where we operate for their continued assistance, co-operation and encouragement they have extended to the Company and look forward to their continued support in future.

For and on behalf of the Board of Directors
LEEL Electricals Limited

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
DIN: 01432035

Date: August 13, 2018
Place: New Delhi

Annexure 1 to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18.

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

The Company believes that every business has a responsibility to give back to the Community and prosperity is best achieved in an inclusive society. Following this philosophy the Company's CSR policy aims to support the developmental needs of marginalized and underprivileged communities with focus in the areas of education, healthcare, environment, women empowerment, skill building, girl child welfare and community service for the aged and physically/mentally challenged. The Company's CSR activities are carried out under the Flagship initiative "Pandit Kanahaya Lal Punj Trust", the philanthropic arm of the Company.

The Company has formulated its CSR policy in line with its objectives as specified in the Companies Act, 2013. Details of the CSR policy and projects or programmes undertaken by the Company are available on the website of the Company www.leelelectric.com. Please refer website www.pklpschool.com for details regarding PKLP Schools.

Please refer Corporate Social Responsibility Section in Annual Report for brief overview of projects undertaken by the Company under CSR Initiative during the financial year 2017-18.

2. **Composition of the CSR Committee:** The Company has a CSR Committee of Directors comprising of Mr. Achin Kumar Roy, Chairman of the Committee, Mr. Mukat B. Sharma and Dr. Geeta Ajit Tekchand as members of the Committee.

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** Rs. 115.87 Crores

4. **Prescribed CSR Expenditure:** Rs.2.32 Crores

5. **Details of the Expenditure on CSR during the financial year 2017-18:**

a)	Total amount proposed to be spent for the financial year	Rs.2.32 Crores
b)	Total amount spent on CSR	Rs.3.13 Crores
c)	Amount unspent, if any.	N.A.

6. **Manner in which the amount spent during the financial year is detailed below:** (₹ In Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2) overheads**	**Cumulative expenditure up to 31st March, 2018**	**Amount spent Direct or through implement-ing agency.**
1	Training and educating Children and women and increasing Employability and promoting health care including preventive health care	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects including promoting health care including preventive health care	1. Schools and Women Empowerment Cells in Tauru, Haryana and Maneri, Jabalpur, Madhya Pradesh 2. Preventive health check-ups in schools and Women Empowerment Cells as referred above	3.10*	3.10	3.10	Through Pandit Kanahaya Lal Punj Trust, Implementing Agency

Contd...

2.	Conservation of natural resources and maintaining quality of soil.	Conservation of natural resources and maintaining quality of soil.	1.	Villages - Maneri, Jhurki, Kherani, & Paudi in Madhya Pradesh	0.03	0.03	0.03	Through Pandit Kanahaya Lal Punj Trust, Implementing Agency
				Total	**3.13**	**3.13**	**3.13**	

* Out of total amount spent, Rs. 2.60 Crores was spent on construction of school building and Rs. 0.5 Crores on recurring expenses for running the schools and WEC.

7. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

8. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and the CSR policy of the Company.

Mukat B. Sharma
Wholetime Director & CFO
[DIN: 02942036]

Achin Kumar Roy
Wholetime Director
Chairman, CSR Committee
[DIN: 01475456]

Date: August 13, 2018
Place: New Delhi

Annexure 2 to the Board's Report

FORM No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year ended on 31st March, 2018
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,
LEEL Electricals Limited
(Formerly known as Lloyd Electric & Engineering Limited)
Unit No. 8, Block-B, Old istrict Courts Complex,
Industrial Area, Phase-II, Noida,
Uttar Pradesh 201305

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LEEL Electricals Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended on **March 31, 2018** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2018** according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

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

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issued any debt securities)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

vi) **OTHER APPLICABLE LAWS.**

(a) Air (Prevention & Control of Pollution) Act, 1981

(b) The Factories Act, 1948 and Rules made there under.

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

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

(d) The Listing Agreement entered into by the Company with the Stock Exchange/ the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes (during the year under review there were no instance recorded in the minutes where any director has dissented to any particular resolution).

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that in our previous audit period for the Financial Year 2016-2017 dated 10.08.2017, wherein we had already intimated about the materialistic changes up to date of signing of previous year report including sale of consumer Durables Business as a going concern and on a slump basis to Havells India Ltd and change of name of the Company from Lloyd Electric & Engineering Limited to LEEL Electricals Limited in view of the said sale.

Sanjay Chugh
Practicing Company Secretary
FCS No: 3754
C.P.NO. 3073

Place: New Delhi
Date: August 13, 2018

Note: This report is to be read with our letter of even date which is annexed as Annexure- A and forms an integral part of this report.

Annexure-A

To,

The Members,
LEEL Electricals Limited
(Formerly known as Lloyd Electric & Engineering Limited)
Unit No. 8, Block-B, Old istrict Courts Complex,
Industrial Area, Phase-II, Noida,
Uttar Pradesh 201305

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sanjay Chugh
Practicing Company Secretary
FCS No: 3754
C.P.NO. 3073

Place: New Delhi
Date: August 13, 2018

Annexure 3 to the Board's Report

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

Energy is often the largest variable cost that any company incurs and energy conservation is the method through which we can reduce our daily energy consumption by using less energy service. It is very necessary to maintain the availability of the natural resources for the continuity of life on this planet. And thus, being an Engineering Company, the Company has embedded a policy of reduce, reuse and recycle across all its processes. The Company's technical staff and engineers are trained to identify energy-saving opportunities and consistent efforts to improve performances have resulted in considerable reduction in the use of energy and natural resources. Your Company has taken appropriate measures for environment protection by adopting green and clean technologies and designing pollution control infrastructure to achieve discharge and emissions within the statutory limits.

A few initiatives towards energy conservation have been continuously taken by the Company and during the year under review:

- The Company has setup Sewage Treatment Plant (STP) in Bhiwadi factory for recycling of water. Recycled water is being used in horticulture. Last year 2000 Kilo Litre water per day were recycled. This year after extending the capacity, 3000 Kilo Litre water per day was saved.
- The Company has also set up Effluent Treatment Plant (ETP) in Pant Nagar Factory for waste disposal and cleanliness.
- Electric lights in the plants have been/is being converted in to LED lights to conserve the Energy.
- Halogen Bulbs have been changed to LED lights & New FRP sheets has been installed on roof to use daylight in Coil Shop area to save the electricity. 10% electricity consumption is being saved with this activity.
- Use of electrical equipment's with high energy efficiency and low anti-environment emissions.
- Continuous inspection of factories for plugging in air leakages and water Leakages.
- Use of portable air compressor during partial load condition to conserve energy.
- Rain water harvesting continues to be a focused activity at our manufacturing plants.
- The Company is maintaining green area in its every factory and in its surroundings.

Steps taken for utilizing alternate sources of energy:

- Installation of Helium testing machine with recovery system, it is not only environment friendly but also saves water and gas which was earlier used for testing purpose.
- LPG is being used instead of Diesel as an alternate source of fuel to run the ovens. It reduces fuel cost as well carbon emission.
- Wind operated powerless ventilators for plant ventilation in Pantnagar manufacturing plant.
- Sky lights being used instead of powered lights on First Floor manufacturing line in Pantnagar.
- All boundary lights are being converted into solar power.

Capital Investment on energy conservation equipments:

Installation of Helium testing machine

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Technology and innovation continue to be one of the key focus areas to drive growth of the Company besides ensuring sustainability and helping the Company to take a leap in transformation.

In addition to developing new products and technologies for existing businesses/ manufacturing facilities, the group is also working on building capabilities to develop breakthrough technologies that will create new business for the Company. Training is imparted to technical staff as an ongoing process.

C. RESEARCH AND DEVELOPMENT

In order to meet with the growing demand for latest technology products and to compete in the market place, your Company continued its efforts in strengthening the R&D activities. Efforts continued to enhance the in-house capabilities to bring in operational efficiencies and product up-gradation to meet the customer needs at both domestic and international front.

Specific areas in which R & D carried out by the Company

To bring innovation and improve upon its area of operation to be at par with International Standards during the year under review, Our R&D team has contributed to design optimization of standard range of products for several customers.

Highlights of products and processes developed by your Company during the year under review include:

- Development of energy efficient models ranging from 2/3/5 star rated split air conditioners as per the new BEE standards.
- Development of DC inverter air conditioner for OEM market.
- Development of new and customized designs of IDU&ODU for clients.
- Development of new technologies products such as wifi enabled product & Inverter technology along with the use of environmental friendly refrigerant such as R410A & R32.
- Development of new generation PLC based controllers for metro rail HVAC units
- Development of Heat Exchangers (condensers) using micro channel technology.
- Development of Roof Mounted packaged Units with environment friendly refrigerants for LHB and conventional coaches of Indian Railways.

Benefits derived as a result of above R&D

The development of new products has helped the company to remain at the top of cutting edge technology and has resulted in continuity of our relationship with key customers. Having a diverse product portfolio with star rated products helped the Company in improving the market share. Your Company enhanced its customer base with some of the leading Indian and Overseas brands.

Expenditure incurred on Research and Development

Capital Expenditure: Taken as Fixed Assets and depreciation is provided accordingly.

Revenue Expenditure: Charged out of expenses through the respective heads of accounts.

D. FOREIGN EXCHANGE EARNING AND OUTGO

Total Foreign Exchange used and earned:

(₹ in Crores)

Particulars	2017-18	2016-17
Foreign Exchange Earnings	120.48	110.60
Foreign Exchange Outgo	698.62	1,397.63

Annexure 4 to the Board's Report

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. The ratio of the remuneration of each director / company secretary to the median remuneration of the employees of the company for the financial year 2017-18 and the percentage increase in remuneration of each director, company secretary and chief financial officer in the financial year 2017-18:

Sl. No.	Name of the Director / KMP	Designation	RATIO OF REMUNERATION OF EACH DIRECTOR / COMPANY SECRETARY TO THE MEDIAN REMUNERATION OF EMPLOYEES [(i)&(ii)]	% INCREASE IN REMUNERATION[(i)&(ii)]
1	Mr. Brij Raj Punj[(iii)]	Chairman & Managing Director	31:1	10%
2	Mr. Bharat Raj Punj	Managing Director[(iv)]	26:1	10%
3	Mr. Achin Kumar Roy	Whole Time Director	44:1	10%
4	Mr. Nipun Singhal[(v)]	Whole Time Director	23:1	Nil
5	Mr. Mukat B. Sharma	Whole Time Director & CFO	20:1	10%
6	Ms. Anita K. Sharma	Company Secretary & V P Finance	14:1	10%

Note:

(i) Median and % increase in remuneration includes salary, PF, allowances, lease accommodation provided but does not leave encashment, payment of past arrears and perquisites yet to be claimed after the date of balance sheet pertaining to financial year.

(ii) Median and % increase in remuneration do not include performance based commission / incentive paid during the year. Details of commission / incentive paid during the year is given in corporate governance report and MGT9. Please refer the same.

(iii) Mr. Brij Raj Punj passed away on December 05, 2017. His salary is accounted till date only and hence non-comparable.

(iv) Mr. Bharat Raj Punj was elevated from Deputy Managing Director to Managing Director w.e.f. May 30, 2018.

(v) Mr. Nipun Singhal resigned w.e.f. May 08, 2017, hence there is no increase in his salary.

(vi) Non-Executive Independent Directors of the Company are entitled for sitting fees and reimbursement of expenses as per the statutory provisions and are within the prescribed limits. During the year, the sitting fees of the Non-Executive Independent Directors were increased from ₹ 15,000 to ₹ 20,000 per Board Meeting. The details of sitting fees of independent directors are provided in the Corporate Governance Report which forms a part of the Annual Report.

(vii) During the year, there was no Chief Executive Officer in the Company designated as such.

2. The percentage increase in the median remuneration of employees in the financial year 2017-18 was around 22.5%. However, the % increase in median remuneration of employees is not comparable that of previous year due to transfer of certain employees to Havells India Limited consequent upon sale of Consumer Durable Business on slump sale basis.

3. The number of permanent employees on the rolls of company: 552 as at March 31, 2018

4. The average increase in percentile of salaries of employees other than managerial personnel in the financial 2017-18 was 3.2% and the average percentile increase in the managerial personnel (excluding remuneration of Mr. Nipun Singhal, who resigned on May 08, 2017) was 3.5%.

5. It is hereby affirmed that the remuneration paid during the financial year 2017-18 is as per the Remuneration Policy of the Company.

Bharat Raj Punj
Managing Director
& Chairman of the Meeting
(DIN: 01432035)

Date: August 13, 2018
Place: New Delhi

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC SCENARIO AND OUTLOOK

The year 2018 was the defining year for the Indian economy. India's GDP reported a growth of 6.6 percent in FY 2017-18 as compared to 7.1 percent of the previous year.

The year 2018 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. While the first quarter of the year saw the impact of demonetisation settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime.

The credit growth has also remained subdued due to the twin balance sheet problem that India has been facing. The issue here is that balance sheets of Indian companies and banks both have been under stress. While Indian companies remain over-leveraged, the banks are reeling under high non-performing assets.

However, the weakness seen at the beginning of 2017, seems to have bottomed out as 2018 set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, auto sales and exports having shown positive results. India's economic outlook remains promising and is expected to strengthen further in FY 18-19.

Industrial growth also recovered with the Index of Industrial production (IIP) registering an impressive growth rate of 7.5% in January 2018 as compared to 2.4% in January 2017. The cumulative growth for the period April-Jan 2017-18 stood at 3.7% in contrast to 5.1% growth registered during April-Jan 2016-17.

India has already made a strong comeback after period of slow-growth, regaining the tag of "fastest growing economy," in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is expected to grow 7.3 per cent in 2018-19. Improved domestic conditions, potential revival in rural sector and small scale businesses resulting in an increase in FDI flows into the country and increase in infra-structure projects will drive India's growth in 2018 and beyond. Further, India's rise in World Bank's Ease of Doing Business Index, from 130 to 100 is a significant achievement and is consequently attracting more investors to the country. Moreover, the government has made huge strides towards financial inclusion and pushing the expansion of digital India, India is steadily moving towards greater formalisation of the informal economy. The World Bank has further stated that private investments in India is expected to grow by 8.8 percent in FY 2018-19 to overtake private consumption growth of 7.4 percent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

The global economy has turned a corner, with demand rising robustly since late-2016 and it is likely to accelerate further. More than 75 percent of the world economy is now enjoying an upswing, with forecasts anticipating global growth to rise to 3.7 percent in 2018 from 3.6 percent in 2017. Growth in advanced economies is at its fastest in three years, with OECD lead indicators pointing to slightly above trend growth.

As the global economy is in its heights after recovering from the shocks of 2008 crisis, India's ability to stave off the economic gales was helped by the fact that it is much less dependent than most countries on global flows of trade and capital and therefore, the recovery in global economic conditions should help India boost its domestic growth. India's exports, despite having seen some deceleration in the last quarter of the year, have seen an overall healthy growth at 9.9% for FY17-18 as compared to a rise of 5.2% in FY16-17. There was an augmentation in the spot levels of foreign exchange reserves to close to US$ 422 billion, as on March 23, 2018.

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics and reforms.

However, the biggest challenges for 2019 for Indian economy will be as to how the economy would maintain its recovery in the face of increasing inflationary pressures, coupled with rising oil prices, a higher fiscal deficit as well as an increasing debt burden, twin balance sheet issues and trade protectionism. The key to this conundrum lies in the revival of consumer demand and private investment.

INDUSTRY STRUCTURE AND DEVELOPMENT

Heating Ventilation and Air Conditioning (HVAC) systems have become one of the core building blocks for modern infrastructure, encompassing various sectors like real estate, metro rail etc., all these factors are expected to spur the market for HVAC systems in India.

HVACR application segment is estimated to register the highest CAGR by 2022, the high growth is attributed to the growing building & construction industry and increased government investments in infrastructure projects resulting in installation of HVACR systems. With healthy growth anticipated in the real estate sector, the Country is expected to witness strong infrastructure development, which would boost the market for HVAC systems over the next five years. The Indian market is projected to grow at a CAGR of 9.48 percent over the next four years, the rate of urbanization is growing at 32% Y-Y which is fuelling the construction of retail, hospitality, and commercial properties and in turn, expanding the market in Tier-2 cities as well. As a result of the growing momentum toward smart cities, it is expected that the demand for air cooling systems will continue to grow.

On the other hand, the Indian Air-conditioning market is projected to grow at a CAGR of 12% over the next four years. As a result of the growing momentum toward smart cities, it is expected that the demand for air cooling systems will continue to grow. The air conditioner market is estimated at 7.2 million units in 2020 and it is poised for a 15% growth over the next couple of years, the market is witnessing a steady shift in demand for integrated systems. With advancements in air conditioning technology and rising demand in both developed and developing regions, the air conditioning systems market is expected to experience high growth in the coming decade.

The construction of Metro rail network in Kolkata and then in Delhi, it is also expanding gradually in Tier 1 and Tier 2 cities like Lucknow, Jaipur, Bangalore and Hyderabad, thereby creating significant demand for HVAC systems in India, your Company is one of the oldest supplier of HVAC systems to the Indian Railways and Metro Rails and we are hopeful to carry the inheritance in future as well.

Due to the rapid expansion of real estate, development in commercial properties, shopping complexes, hospitals, more offices and corporate hubs across the Country including small cities and towns, besides this, the rising middle class population, rising disposable income and introduction of the organized retail outlets are driving the demand for HVAC systems across the country.

The momentous growth in real estate, retail, hospitality and commercial sectors are boosting the demand for the HVAC systems across the country and as a result the HVAC market in India is forecast to reach US$ 3.97 billion by 2019 and US$ 7 Billion by 2022. However, with the rising demand for energy efficient products in the country the HVAC market is expected to undergo significant brand shift over the coming years.

After some overall sluggishness in the Indian economy over the past several years, the Indian HVAC market is expected to grow by 9% in 2018. The Indian HVAC market is also expected to witness growth on account of changing lifestyle, increasing per capita income, rising expenditure by consumers on comfort solutions and rising investments by corporate in India.

ROOM AIR CONDITIONING

As per the market estimates, Indian room Air Conditioner (AC) volumes is expected to grow from 4.7 Million in FY 17 to 7.2 Million in FY 20, implying 15% CAGR. This growth is expected to be driven by growing penetration of ACs (4-5% currently v/s 30% global average), higher disposable income, growing urbanization, and the year round AC usage trend. Given the improving macroeconomic conditions, ACs are now considered as a necessary rather than a luxury item, with many houses even installing multiple ACs. Earlier, AC was considered as a seasonal product (used mostly during summer months). However, manufacturers have now started offering heating/ cooling options so that it can be used throughout the year.

The room AC Industry is shifting towards energy-efficient models (eg. 5-star/inverter ACs) over past few years, as customers are increasingly becoming aware of lifetime costs of ACs vis-a-vis upfront costs.

To promote energy-efficiency, the BEE initiated star labeling in 2007 for fixed speed ACs, where the compressor cuts off or cuts in when the desired temperature has been achieved or the room temperature increases. This program was conducted in 2006, involving key stakeholders such as consumer organization and manufactures of ACs/components. January 2007 became a voluntary year for AC star ratings. It was made mandatory from January 2010 for 1 star to 5 star ACs. The ratings were upgraded in January 2012 and 2014. Also, the first energy efficiency ratio (EER) came into force in 2015.

Over past few years, demand has been continually shifting toward energy-efficient ACs (5-star/inverter), which contributes - 30-35% of overall industry volumes. According to the Bureau of Energy Efficiency (BEE), all ACs that operate on invertor technology will have to be compulsorily rated from 2018. Consequently, the rating for fixed and variable compressors will be merged. The split AC market is expected to transition to inverter technology over next few years, with Inverter ACs projected to account for 30% of the market by FY18 and 50% by 2020.

BUSINESS OVERVIEW

Your Company is one of the largest manufacturers of evaporator and condenser coils for air conditioners and heat exchangers / radiators serving the entire spectrum of Heating, Ventilation, Air Conditioning and Refrigeration (HVAC&R) Industry and has been present in the air conditioning industry for more than two decades and achieving the highest quality standards. The Company's extensive range of condenser and evaporator coils are used as original equipment in residential and light commercial unitary products, central plants including Air Handling Units (AHU), commercial refrigeration, precision and transport air conditioning applications and Radiators, Condensers, Oil Coolers, Charge Coolers, after Coolers in passengers' vehicles, heavy commercial vehicles, off highway vehicles, industrial, agriculture and diesel engines.

Your Company is a supplier of HVAC systems to Rail/Metro/ defence applications and has its strong presence in packaged air conditioning and oil cooler segment of the Indian Railways. The Company has captive facility for sheet metal fabrication and heat exchanger coils, and thus gives it an added advantage and control over quality over such critical components.

Your Company is also an 'Original Equipment Manufacturer' (OEM) supplier to manufacturers of air-conditioners in India, and provides customized air-conditioning solutions for institutional clients like Railways, Metro Rail, Defence Industry etc. caters to both domestic and international markets. With IRIS certification, the company is exploring opportunities in Railway business from international rolling stock and locomotive manufacturers.

Your Company has global presence with six state-of-art manufacturing facilities located in Bhiwadi, (Rajasthan), Tauru (Haryana), Pantnagar (Uttarakhand), Kalaamb (Himachal Pradesh), Ranipet (Tamil Nadu), Haridwar (Uttarakhand) in India and one overseas manufacturing facilities in Prague, Czech Republic in Europe and one in New Zealand. The products manufactured are wide range of room Air Conditioners, Roof Mounted Air conditioners, wide range of Heat Exchangers, Air handling units, Fans and other components. All the manufacturing facilities are equipped with high grade delivery technologies, latest equipment and large scale manufacturing facility. With its extended capacity to design, develop, manufacture and maintain highly engineered HVAC systems, your Company is uniquely positioned in the HVAC systems space as well as in the heat transfer industry.

OEM Segment & Packaged Air Conditioning

Your Company is a prominent supplier of Room Air Conditioners (RACs) to the leading brands in India as well as overseas and over the years, the Company has evolved rapidly to become the staunch supplier of high quality Air Conditioners to well-known sellers of air-conditioners in India and abroad. The Company has the facility for in-house production of coils and manufactures complete Room Air Conditioners including Window Air Conditioners and Indoor Units and Outdoor Units for Split Air Conditioners ranging from 0.75 tons to 2 tons across all the energy ratings.

Your Company has In-house facility of production of critical parts i.e. Coil, Fan, Sheet metal , In-house product development labs out of this one lab is solely dedicated for validating mass production unit and 1T ODU in 18" Chassis platform.

The Company has made requisite modifications and improvements in accordance with the standards issued for AC Industry sector related to the conservation of energy.

Your Company has introduced the D.C. Inverter technology as per the B.E.E norms as declared in 2018 and for the energy saving process, introduction of Brushless D.C motors in the air conditioning applications have also been designed by us. The Company is also certified the products for the Export market as per the safety norms i.e. the G-marking in the products which provides the electrical safety EMI/ EMC.

Your Company has started the manufacturing of inverter air conditioners, being designed and developed by the Company and developed the new technologies products such as WiFi enabled product along with the use of environmental friendly refrigerant such as R410A & R32.

The other variant of ACs being manufactured by the Company like split and window Ac's are energy efficient star rated products as per BEE (Bureau of Energy Efficiency) norms.

The energy efficient products will play a vital role for the future of the air conditioners in India and around the globe as almost all the countries are focusing on energy efficiency products.

Heat Exchangers & Components

Your Company is also a supplier of HVAC systems to Rail/Metro/defence applications. In view to match itself with the international standards, your Company has set up a "State of the Art" manufacturing facility in Bhiwadi (Rajasthan) dedicated for the Fabrication, Assembly and Testing of HVAC units.

With an annual capacity of 6 Lacs heat exchangers, your Company has made strong presence as well as customer base in North India.

During the year under review, the Company has successfully manufactured and supplied 348 HVAC Units in a record time of one year, which are successfully mounted & running in the Metro Coaches of Delhi Metro.

The Bhiwadi plant of the Company has taken a leap forward in technology absorption for Rail HVAC units from Toshiba, a Japanese company for aforesaid Delhi metro Project. Under this Technology Transfer the Company's production engineers received extensive training in Toshiba's plant and thereafter Japanese team consisting of manufacturing / Quality/testing personnel have been stationed in Bhiwadi plant continuously for one year for upgrading the skills of our workmen and Engineers. This division is now capable of manufacturing Rail HVAC units to any International Standards.

In house R&D division of Bhiwadi unit is also one of the strength of the Company. We are capable to Design & Develop the HVAC units from 5 KW to 70 KW and design team is equipped with Psychrometric Test Lab-one of first kind of lab in India.

During the year, the Company has also been awarded IRIS (ISO/TS 22163:2017) certification and EN15085 Certificate - a certificate for wielding of railway vehicles and components. With these high rated certifications, the Company is exploring opportunities in Railway business from national and international rolling stock and locomotive manufacturers.

Your Company is the also leading manufacturer of fin and tube type heat exchangers for HVAC & R applications and is technology-driven and knowledge-based leader in its fields of operations. The Company's Factories have state-of-the-art facilities for making heat exchanger of Aluminum, Copper fins with seamless smooth/grooved copper tube, coupled with end plate and casing made of galvanized iron, copper, brass and aluminum.

The Company has also developed dry coolers which are usually used to cool the fluid like water, oil etc. Since its development last year, the market of the Company's dry coolers has grown and supplies have started to Engine manufacturers and DG set manufacturers.

Being an ISO 9001:2008 certified Company, we have a well-defined quality control process that is structured to meet the international benchmarks of quality. Besides, our R&D team works in concurrence with the swiftly changing industrial requirements, giving us an advantage of innovation, engineered with sophisticated technology. The Company is also rapidly expanding its footprints overseas and its product line is currently exported to the Middle East, Africa, Europe and North America.

FINANCIAL PERFORMANCE:

Segment-wise Standalone performance

During the year ended March 31, 2018, the total income stood at Rs. 2,003 crores as compared to Rs. 3,024 crores. The segmental revenue from continued operations during the year under review stood at Rs. 1,604 crores as against Rs. 1,540 crores, registering a modest growth of 4.17% over the previous year. EBITDA for the year before exceptional item stood at Rs.146 crores as against Rs.274 crores during the corresponding year. Figures of the year under review are not comparable with the corresponding year, due to the sale of Consumer Durable Business. There was an exceptional item during the year related to sale of consumer durable business and voluntary insolvency of foreign subsidiary. For details please refer Board report and Note No. 48 of standalone financial statements.

During the year under review, the Net Sales from OEM & Packaged Air-conditioning segment was adversely impacted primarily due to implementation of new energy norms for air conditioners effective from January 2018 as a result of which lot of pre-buying of product took place in Q3'18 which resulted in subdued growth by various consumer brands in last quarter of the financial year as dealers/ distributors started de-stocking in anticipation of price rise post implementation of new energy norms. The Bureau of Energy Efficiency (BEE) introduced a new star rating methodology called Indian Seasonal Energy Efficiency Ratio (ISEER) for air conditioners in 2016, which came into effect w.e.f. Jan'18. As a result, the prevalent 5/3 star norms were downgraded to 3/1 star, resulting in pre-buying during the December quarter of FY18 in anticipation of price rise. As a result of this, the off take by the various brands has been very low as compared with the corresponding previous year. Despite the fact, the sales from this segment grew from Rs.936 crores to Rs.964 crores.

Revenue from heat exchanger and components segment remained subdued due to weaker market sentiments of HVAC industry during the quarter under review. The revenue of the segment stood at Rs.640 Crores as compared to Rs.604 Crores during the previous year.

During the year under review, the Company had sold its Consumer Durables business to Havells India Limited on May 08, 2017. Till May 08, 2017, the Consumer Durable Business reported revenue of Rs. 424 Crores.

Consolidated Performance:

On the consolidated basis, the revenue from the operations for the year ended March 31, 2018 was Rs. 2,342 Crores as compared to Rs. 3,373 Crores during the previous year. EBIDTA for the year stood at Rs. 134 Crores as compared to Rs. 273 Crores in the previous year. The consolidated profit before exceptional item and tax stood at Rs. 20 Crores and after exceptional item & tax was Rs. 510 Crores as compared to Rs. 104 Crores and Rs.70 Crores respectively during the previous year. The total comprehensive income for the year stood at Rs. 511 Crores as compared to Rs. 70 Crores during the previous year. The performance of each of subsidiaries is explained in International Operations and Performance head.

International Operations and Performance:

During the financial under review, your Company has 6 direct wholly owned subsidiaries and 2 indirect subsidiaries i.e. LEEL Coils Europe s.r.o. (formerly Lloyd Coils Europe s.r.o.), Janka Engineering s.r.o. ("Janka"), Noske Kaeser Rail & Vehicle Germany (under liquidation), LEEL Services s.r.o., Noske Kaeser US Rail & Vehicle LLC (non-operational) and Noske Kaeser Rail & Vehicles New Zealand alongwith its 2 subsidiaries-Noske Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Equipamentos de Aquecimento, Ventilação e Ar Condicionado Ltda (formerly Noske Kaeser Empreendimentos e Participacoes Do Brasil Ltd.) (liquidated):

(i) **LEEL Coil Europe s.r.o. (LCE):** The last fiscal year has shown economic development in majority of the European countries and LCE has got benefited from sales growth in traditional markets as well as in new fast growing segments, the total sales of LCE increased from Euro 31 million of last year to Euro 34 Million in the financial year under review. Recovery has been observed in markets of France as well as good growth was reported in Germany and Italy, while rest of EU and Russia were mostly flat. However, negative market trend continued in UK and Spain. Our important segment of Rooftops reported increase of 9%, Heat Pump segment, after a slower previous year jumped by nearly 20% in the current fiscal year. The Data Centres Cooling segment also shown high growth and sales increased from Euro 3.5 Million last year to current sales of Euro 4.9 Million. Despite the positive sales development, subsidiary's profitability, suffered a drop and EBITDA was recorded as Euro 0.51 Million as compared to Euro 0.98 Million of previous year. The reason for decrease in EBITDA was decline in margin level across the product range. This has been caused by two main factors – growing metal prices, which have not been properly passed to customers; and increased labour cost, as well as lack of available workforce. To resolve the issue of low profit margins, an average price increase of 5% was implemented for all new orders effective from January 2018 and internal policy for regular price revision has been adopted.

In March, 2018, LCE participated in one of the most significant European trade fairs in Italy and met with both existing and prospective customers.

LCE has been evaluating extension of its product portfolio by adding heat exchanger coils with small 5 mm tube diameter. This kind of product is becoming a trend not only in smaller residential AC units but more and more also in commercial AC segment. Popularity of this solution is apparently driven by the F-Gas regulation and related pressure to minimize usage of expensive refrigerants. LCE has made the first step in this direction by investment into a fin die, which was installed in the last month of the Financial Year. The new fin die will enable to make first samples that can be further tested together with our customers.

In coming years LCE's main objective will be continuing effort to stabilize profitability by close review of generated profit margins for each customer and product. Individual approach will be taken to improve profitability across the product range and to ensure correct price adjustments relating to fluctuations of metal prices at commodity markets. Beside the planned improvement of cost and price controls, the subsidiary will actively look for new business opportunities on the market.

(ii) **Janka Engineering s.r.o (Janka):** Janka's total sales also seen increased volume and reported revenue as of Euro 12.3 Million as compared to Euro 11.3 million of last year. Following a positive development in local construction industry, Janka was able to secure larger number of projects for the Building Technologies division, which made for nearly 70% of the total sales volume. Other divisions have not performed well in terms of sales and resulted in lower turnover. Total EBITDA for the year was a Euro (0.5) Million as compared to Euro (0.8) Million of previous year.

As Janka has been reporting poor financial performance over a long period of time and all the efforts by the management to revive the business had not yielding any results. As its entire net worth of the Company was eroded and thus, it has been decided to divest its stake and sell it off alongwith its trademark rights to Multicraft Group acting through its subsidiaries PZU Czech, a.s. and Shiftry Holdings Ltd. for a transaction value of Euro 1.75 Million. The transaction shall be completed in the current financial year.

(iii) **Noske Kaeser Rail & Vehicle, Germany (NKG):** NKG, total sales have fallen by nearly 60% from Euro 4.8 Million previous year to current Euro 2.0 Million. As a result of the extreme lower sales, lower margin level and past year's adjustment, the total EBITDA

for the year was further fallen and was reported to the level of Euro (-1.6) Million. In view of the financial losses, lower sales volume and limited prospects for the future turnaround, the Company filed for insolvency in May 2018. For details please refer subsidiaries' details in Board's Report.

(iv) **LEEL Services s.r.o:** LEEL Services s.r.o. is a newly incorporated entity established by spin off process among LCE, Janka and LEEL Services s.r.o. It now provides rent and administrative services to the LCE and Janka. For the period under review, it reported turnover of Euro 0.3 Million with EBITDA of Euro 0.1 Million.

By spin off project, all the real estate assets, trademarks as well as bank loans of LCE and Janka have been transferred to LEEL Services s.r.o. All service functions of both companies (finance, HR, IT) including the employees have been also transferred to LEEL Services. The new subsidiary provides facility management and service support to the other subisidiaries. Ordinary business has thus been fully separated from the real estate management, the other subisidiaries can now fully focus on their core business and also their financial statements will not be impacted by non-operational effects. For details regarding spin off please refer Board's Report.

(v) **Noske Kaeser Rail & Vehicles New Zealand (NK NZ):** During the period under review, NK NZ alongwith its two subsidiaries reported total revenue of NZD 8.02 Million as against NZD 6.7 Million of previous year, profit before tax stood at NZD 0.08 Million as against previous year's NZD 0.09 Million, and profit after tax stood at NZD 0.02 million as against 0.06 Million of previous year. In the year under review, the subsidiary focused on securing new assignments, with most of the new opportunities in the 'recondition' market sector, being overhauls and upgrades. In the current financial year the focus would be securing future production work from the third quarter of 2018. During the year it continued to deliver HVAC units for the Vlocity DMUs in Melbourne and completed the delivery of the Perth B-series EMU Project. It has also received follow-on orders for a further 13 x 3 car sets of equipment for the Vlocity DMUs which are proposed to deliver by July, 2019. Some key achievements over the last 12 months of the subsidiary was Implementation of SAP into the NZ operation, securing the first of the GT46 Standard Gauge locomotive HVAC upgrades, Exhibiting at AsiaRail (Bangkok), AusRail (Brisbane) and Asia Pacific Rail (Hong Kong) and working with Black Diamond Technologies to deliver the next generation Hydrobox design for the New Zealand domestic hot water heat pump market.

(vi) **Noske-Kaeser Rail & Vehicles Australia Pty Limited (Indirect subsidiary through NK NZ):** The service operation in Australia continues to deliver a high standard of support to several key customers in Perth and Melbourne with a stable experienced workforce and a good reputation across the industry. Some key achievements over the last 12 months were establishment of new workshop in Malaga to be located closer to our customers in Perth, successful completion of the Perth B-Series stage I overhaul program after four years delivering NZ $3.2 million in revenue at high margin and securing of maintenance work with GE in WA on locomotives based in Karratha.

(vii) **Noske-Kaeser Equipamentos de Aquecimento, Ventilação e Ar Condicionado Ltda (formerly Noske Kaeser Empreendimentos e Participacoes Do Brasil Ltd.) (liquidated) (Indirect subsidiary through NK NZ):** As there was no operation in the Company the same has been voluntary dissolved and as on the date of this report, the applicable authority had also approved the dissolution and now this entity ceased to exist.

(viii) **Noske Kaeser US Rail & Vehicle LLC (NK US):** NK US remained non-operational during the period under review.

EXPORTS

The Company also exports air conditioners as OEM to major brands and added new customers in countries like Kenya, Oman, Uganda, Angola alongwith the existing customers in Dubai, Sri lanka, Nepal, Bahrain in Middle East. For the heat exchangers, the Company is focusing on US and European market by providing value added products across all the categories.

OPPORTUNITIES AND THREATS, RISK AND CONCERNS

Opportunities

HVAC systems are becoming one of the key building blocks in modern infrastructure; these systems are found in almost all the upcoming commercial as well as residential buildings. The rapid infrastructural advancements as well as urbanization and growth in commercial as well as residential properties are some of the factors that will boost the demand for HVAC systems in India, thus it will positively impact the demand of Company's varied product ranges in the coming years.

The HVAC market in India is forecast to reach US$ 6 trillion by 2027 on account of changing lifestyle, increasing per capita income, and rising expenditure by consumers on comfort solutions. The continuous growth in real estate, infrastructure-based developments, technological advancements and surge in tourism are some of the factors that will positively influence the Indian HVAC market over

the period of next five years. Moreover, extreme climatic conditions, rising disposable income, growing construction activities in both commercial and residential sectors coupled with various government initiatives aimed at improving energy efficiency are some of the other major factors expected to boost India HVAC market in the coming years.

The Government of India had launched "Saubhagya" US$2.5 Billion programme on September 25, 2017 with the main objective to electrify and provide power connections to almost every household in the Country by the end of March, 2019. As a result of rapid electrification of the rural areas of the country, the demand of HVAC systems is likely to improve in the near future.

Threats & Concerns

a) The expectations of the consumers are very high as more and more multinational Companies are entering in India with cutting edge technology, advanced equipment's, state of the art execution forwarded by a great piece of commissioning, operation and maintenance and creating extreme competitive market for the industry.

b) The consumers of modern India focuses more on quality products and also continue to be very price sensitive, they are more brands centric and that adversely impacts price sensitivity and overall margin.

c) The continuous innovation and technology advancement leads to intense rivalry amongst the producers. Furthermore, major raw materials such as metals are exhibiting increasing trend over the past few years posing margin pressures.

d) As around 69 percent of India's population still lives in rural areas, availability of products to rural villages located in remote areas are difficult due to inadequate infrastructure and distribution channels and poor road connectivity.

e) Air conditioner is a seasonal product therefore delayed/ short duration summer affects the overall business performance.

f) India's core inflation has gone up significantly over the past few years. Thereby input costs of raw material especially of Aluminum, Copper and Sheet Metal has gone up and has led to reduction of margins.

g) The changes in quality standards issued by the Govt. are very dynamic and technologies are required constant upgradation and thus involves high investment in R&D and decrease in margin.

Risk

Risks which could impact the Company relate to exchange rates, interest rates, credit risks and volatile commodity prices risks as well as operating risks, arising out of high input costs, especially in the case of fixed price contracts and changes in technology which impact the Company's product offerings. In addition, a general slow- down in the global and local economy tends to aggravate risks faced by the Company. All such risks are periodically identified and assessed in terms of the Company's risk management framework and appropriate action is undertaken to minimize and mitigate the impact. Risks and the effectiveness of the risk management process are also periodically reviewed by the senior management and the Board.

FUTURE OUTLOOK

The technology in AC manufacturing has undergone tremendous changes as we witnessed a shift of about 35% market from conventional to Inverter based technology in FY2019. The Company has developed in-house inverter Air conditioners and supplying to various brands in India and also developed Heat and Cool Split AC with R 410 A and R 32 refrigerants which are environmental friendly.

To tap the growing market in AC industry, the Company has identified strategic locations, with a long term perspective, for setting up manufacturing facilities to tap the growing domestic markets and also in close proximity to the sea port for accessing the export markets. During the year the Company has invested in its existing facility for ramping up its production, R&D, technology to meet with the new energy efficiency norms and new green refrigerant. The Company is also investing in ramping up the capacity at its Coil unit located at Ranipet, TN to cater the growing demand of heat exchangers in export market.

Our vertically integrated manufacturing infrastructure is equipped to manufacture the basic components, condenser, evaporators, sheet metal components, powder coating, injection moulding and all copper fittings and parts required in manufacturing of RAC. This gives us competitive edge such as cost effectiveness, reduced volatility in margins, hedge against demand volatility and maintenance of quality standards.

With our deleveraged balance sheet, we are quite optimistic and remain extremely well positioned to deliver strong results, grow our

businesses and unlock the opportunities that lie ahead across our product offerings.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

We have effective and adequate internal audit and control systems, commensurate with our business size to safeguard assets and protect against loss from any un-authorized use or disposition. Regular internal audit visits to the operations are undertaken to ensure that high standards of internal controls are maintained at each level of the organization. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures.

ENVIRONMENT, HEALTH & SAFETY

The Company undertakes all its operations with a high concern and sincerity for environment and its surroundings as well as the safety and health of people. To improve the consistency of the organization's approach towards environment safety controls, the Company implemented ISO 9001 and OHSAS 18001 and introduced a series of global standards, principles and practices that each operation should adopt. ISO 9001 focuses on managing organization's impact on the external environment, to reduce pollution and comply with regulations and OHSAS 18001 focuses on managing your organization's internal environment to ensure a safe and healthy workplace.

The Company has taken many steps towards conservation of energy such as installation of LED lights in the plants, use of electricity instead of fuel in the production process to reduce the fuel consumption and carbon emission. During the year, the Company also imparted Environment Management System (ISO 14001:2015) training to the employees at various level of the organization, the training will help the employees at various levels to achieve the intended outcomes of the environmental management system, which provide value for the environment, the organization itself and other interested parties. The ISO 14001:2015 is intended for use by the Company to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

Audits were conducted against these standards and improvements are ongoing. Improving Safety performance continues to be a priority for the Company. Improvements have been made in the methods of internal communication, knowledge sharing and reporting on safety matters. The HR team conducts EHS programs to educate employees about safety programs, make them aware of the Company's health and safety policy and conduct formal safety trainings for all workers to prevent accidents, report unsafe conditions and protect the environment.

HUMAN RESOURCE

The Company has a robust HR system in place to fulfill the need of qualitative work force throughout the organization. The Company strongly believes in nurturing talent within the organization and in line with this belief, the Company has put in place several initiatives that focus on leadership and talent development across grades. The Company has also taken numerous long term initiatives to ensure the readiness of talent, skills and resources for a long period of time. We have built a robust leadership bench not only at the senior management level but also for all critical positions up to the middle management level and frontline roles in sales, service & operations. The Company continues to endeavor at providing employees with a rewarding, productive and successful association, with a view to equip the Company to address the business challenges of a dynamic economic environment, the HR function focused on retaining and attracting suitable talent, enhancing the technical / behavioral skills of the employees and optimizing employee costs.

During the year, the Company imparted internal and external Quality Management System raining to the employees at various levels of the organization with an aim to improve the ability of the employees to consistently provide products and services that meet customer and applicable statutory and regulatory requirement and aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

The Company strives to provide a safe and harassment free working environment to all of its employees, in line of the same the Company has adopted the Code of Ethics & Business conduct and Whistle Blower Policy which lays down the principles and standards that should govern the actions of the Company and its employees.

The Company's HR strategies are aimed at finding a balance between employees' goals and aspirations with those of the Company. With a view to equip the Company to address the business challenges of a dynamic economic environment, the HR function focused on retaining and attracting suitable talent, enhancing the technical / behavioral skills of employees and optimizing employee costs.

Our philosophy and Goals:

- To create a friendly, dynamic work environment under a team concept while maintaining professionalism.
- To recruit & retain best people, develop their skills, cultivate New Leaders & capitalise on their collective intelligence by applying

Human insights to transform the organization.

- Provide an enjoyable and rewarding environment for all individuals to learn, grow and develop to their fullest potential.
- To develop all professionals to their fullest potential through the following:
  - i. Progressive Experience and Responsibilities Based on Ability
  - ii. Performance Review Process
- Encourage our staff to be involved in and contribute to the community and to professional activities and organizations.
- Provide a competitive Environment, Products and services to attract and retain a diverse, high calibre staff.
- Support the leadership efforts with a strategic workforce plan that creates a climate of innovation and excellence
- Create strategic processes that support Organisational goals with innovation

The Company does not engage in any form of child labour/forced labour/involuntary labour and does not adopt any discriminatory employment practices. The Company has implemented OHSAS 18001 which focuses on managing organization's internal environment to ensure a safe and healthy workplace. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. The Company, through the policy ensures that all such complaints are resolved within defined timelines. During the year, no case was reported.

The total permanent staff strength of the Company as on March 31, 2018 was 552.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as Annexure to the Board's report. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules are available at the Corporate Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

Corporate governance is the structure and the relationships which determine corporate direction and performance; it is a combination of systems and mechanisms which ensure that the management runs the Company for the benefit of all the stakeholders.

Good governance is an essential ingredient in the corporate success and sustainable economic growth of the Company.

The Company follows fair, transparent and ethical governance practices and in order to maintain the highest standards of Corporate Governance the Company has adopted the code of conduct for its management including the Executive and Non- Executive Directors, Key Managerial Personnel and Senior Management, code of conduct for prevention of insider trading, familiarization programme of Independent Directors in accordance with the listing regulations and the Companies Act, 2013. These codes are available on the website of the Company i.e. www.leelelectric.com.

In pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the "Listing Regulations") and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of LEEL Electricals Limited (hereinafter referred as 'LEEL') and its commitment to conduct business in accordance with sound Corporate Governance practices.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At LEEL, Corporate Governance practices aim to attain the Company's objectives to protect and promote the long term interest of all the Stakeholders; it oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all the stakeholders. The objectivity encompasses practically every sphere of the organization and the management from action plans and internal controls to performance measurement and corporate disclosures through continuous evaluation and benchmarking.

The Board of Directors ("The Board") of the Company are responsible for and committed to maintain sound principles of Corporate Governance in the Company and is committed to ensure that highest standards of corporate governance are practiced throughout the organization as well as its subsidiaries (the Group). The Board of Directors plays a crucial role in overseeing how the Management serves the short and long-term interests of Members and other stakeholders.

The Board exercises its fiduciary duties towards all the stakeholders by embedding the principles of independence, integrity, accountability and transparency into the value system and the decision making process driving the Company.

Hence, they are based on the following broad principles:

- Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times;
- We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At LEEL, the Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders;
- Adopt transparent procedures and practices and arrives at decisions based on adequate information;
- Ensures compliance with regulatory and fiduciary requirements in true letter and spirit;
- Offers highest level of disclosures to disseminate corporate, financial and operational information to all stakeholders;
- Creates various committees for audit, senior management compensation, HR policy and management compensation and Investor grievances.
- Ensures complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in the guiding strategy.
- Keeps in place a well-defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the Board remains in effective control of affairs at all times.

II. BOARD OF DIRECTORS

The Board of Directors have the ultimate responsibility for the management, general affairs, direction and performance to achieve the long-term success of the business as a whole. The Board regularly reviews the Company's strategic business plans, the assessment of key risks by management and the operational and financial performance of the Company to enable the Company to meet its objectives and has the overall responsibility to maintain the highest standards of Corporate Governance throughout the organization.

The Board of Directors of your Company comprises of an optimum combination of Executive and Non-Executive Independent Directors including Women Directors. As on March 31, 2018, the Board comprised of eight directors, out of which five directors were Non-Executive Independent Directors. Out of five Non-Executive Independent Directors, two are women directors.

1. Your Company has a broad-based Board of Directors, comprises eminent persons with considerable professional experience and expertise in diverse fields and constituted in compliance with the Companies Act, 2013, Listing Regulations and in accordance with good corporate governance practices.

2. For changes in compositions of directors of the Company please refer Directors and Key Managerial Personnel section under the Board's Report.

3. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures under Regulation 26(2) of the Listing Regulations regarding the directorship and Committee positions in other public companies as on March 31, 2018 have been received from the Directors.

4. Independent directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations. The independent directors are all experienced individuals from a range of industries and geographies. Their mix of professional skills and experience is an important element in the proper functioning of the Board and in ensuring a high standard of objective debate and overall input to the decision-making process. The Board has received from each independent director a written confirmation of their independence confirming that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149 of the Companies Act, 2013.

   The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at the following link

   http://www.leelelectric.com/corporate-governance.html

5. There is no inter-se relationship between the Directors except Mr. Bharat Raj Punj, Managing Director who is son of Late Mr. Brij Raj Punj, Chairman & Managing Director of the Company. Mr. Brij Raj Punj passed away on December 05, 2017.

6. During the Financial Year under review, none of the Non-Executive Directors has held shares and convertible instruments in the Company and had any material pecuniary relationship or transactions with the Company.

7. The details of familiarization programme of the Independent Directors is available on the website of the Company at the following link:

   http://www.leelelectric.com/corporate-governance.html

   During the Financial Year under review, four (4) meetings of the Board of Directors were held on May 30, 2017; August 10, 2017; November 14, 2017 and February 14, 2018. The necessary quorum was present at all the meetings. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under the Companies Act, 2013.

8. During the Financial Year 2017-18, information as mentioned in Part A of Schedule II of the Listing Regulations has been placed before the Board for its consideration.

9. Composition, Category and Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and chairmanships/memberships in Committees of each director in various companies as on March 31, 2018 are as follows:

S. No.	Name of the Directors.	Category of Directorship	No. of Board Meetings attended	Last AGM attended	No. of Directorship in other Public Companies #	No. of Committees Positions held in other Public Companies @	
						Chairman	Member
1.	Late Mr. Brij Raj Punj* DIN: 00080956	Chairman and Managing Director and Promoter	-	No	2	-	-
2.	Mr. Bharat Raj Punj$ DIN: 01432035	Managing Director and Promoter	2	No	1	-	-
3.	Mr. Achin Kumar Roy DIN: 01475456	Whole Time Director	4	No	-	-	-
4.	Mr. Mukat B. Sharma DIN: 02942036	Whole Time Director & CFO	4	Yes	-	-	-
5.	Mr. Nipun Singhal^ DIN: 02026825	Whole Time Director	-	-	-	-	-
6.	A.V.M. Surjit Krishan Sharma VSM (Retd.) DIN: 00058581	Non-Executive Independent Director	4	Yes	-	-	-
7.	Dr. Geeta Ajit Tekchand DIN 02937277	Non-Executive Independent Director	4	No	-	-	-
8.	Mr. Ramesh Kumar Vasudeva DIN: 06368045	Non-Executive Independent Director	4	No	-	-	-
9.	Mr. Ajay Dogra DIN: 02430117	Non-Executive Independent Director	4	No	-	-	-
10.	Ms. Deepti Sahai DIN: 07529738	Non-Executive Independent Director	4	No	-	-	-

Notes:

Other directorships do not include directorships in private companies, foreign companies, companies under section 8 of the Companies Act, 2013.

@ Includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies.

* Mr. Brij Raj Punj, Chairman & Managing Director of the Company passed away on December 05, 2017.

$ Mr. Bharat Raj Punj, Deputy Managing Director was elevated as Managing Director of the Company w.e.f. May 30, 2018.

^Mr. Nipun Singhal, Wholetime Director, resigned from the directorship of the Company w.e.f. May 8, 2017.

III. AUDIT COMMITTEE

The Audit Committee of the Company comprises of A.V.M. Surjit Krishan Sharma VSM (Retd.) as its Chairman, Dr. Geeta Ajit Tekchand and Mr. Mukat B. Sharma as its members.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. The Company has a multi-disciplinary Audit Committee which is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures including overseeing all the transactions that have monetary implications on the functioning of the Company. Audit Committee provides an 'Independent' reassurance to the Board through its oversight and monitoring role. The nomenclature, constitution and terms of reference of the Audit Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- To review with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report
- To review with the management, the quarterly financial statements before submission to the Board for approval;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- To approve related party transactions of the Company;
- To scrutinize the inter-corporate loans and investments;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the functioning of the Whistle Blower Mechanism;
- To approve the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

In accordance with the provisions of Section 177 of the Companies Act, 2013 and the listing regulations, the Company has established the vigil mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected fraud or violations of the Company's code of conduct or ethics policy, the policy has been formulated with a view to provide a mechanism for the employees of the Company to approach the Whistle Counselor or the Whistle Blower Committee and in exceptional cases, chairman of the Audit Committee of the Company.

A.V.M. Surjit Krishan Sharma VSM (Retd.), Chairman of the Audit Committee was present at the last Annual General Meeting which was held on September 26, 2017.

During the year under review, four (4) meetings of the Audit Committee were held on May 30, 2017; August 10, 2017; November 14, 2017 and February 14, 2018. The adequate Quorum was present at all the meetings.

As on March 31, 2018, the Composition and attendance of the members at the meetings were as follows:

Name of Directors	Designation	Category of Director	No. of Meetings Held	No. of Meetings Attended
A.V.M. Surjit Krishan Sharma VSM (Retd.)	Chairman	Non- Executive Independent Director.	4	4
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director.	4	4
Mr. Mukat B. Sharma	Member	Whole Time Director & CFO	4	4

Ms. Anita K. Sharma, Company Secretary & VP Finance acts as the secretary to the Committee.

IV. NOMINATION & REMUNERATION COMMITTEE

In pursuance of the provisions of section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations, the Company has in place a Nomination and Remuneration Committee ('NRC') comprising of the Independent Directors viz. A.V.M. Surjit Krishan Sharma VSM (Retd.), Dr. Geeta Ajit Tekchand and Mr. Ajay Dogra. The Nomination and Remuneration Committee evaluates experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures.

A.V.M. Surjit Krishan Sharma VSM (Retd.) is the Chairman of the Committee and Ms. Anita K. Sharma, Company Secretary & VP Finance acts as the secretary to the Committee. The Chairman of the NRC was present in the last Annual General Meeting of the Company held on September 26, 2017.

NRC recommends the appointment of diversified Board members and also recommends the terms of appointment including remuneration of the Executive Directors of the Company, further, it reviews and recommends the payment of annual salaries, commission and finalizes service agreements and other employment conditions of the Executive Directors. The guiding principle of the Committee is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Company can attract and retain competent Executives and the rewards shall commensurate with their contributions towards the growth of your Company.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other senior management employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity and to ensure that;
    - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
    - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

During the year under review, three (3) meetings of the NRC were held on May 30, 2017, August 10, 2017 and February 14, 2018. Adequate Quorum was present at all the meetings.

As on March 31, 2018, the Composition and attendance of the members at the meetings are as follows:

Name of Directors	Designation	Category of Director	No. of Meetings Held	No. of Meetings Attended
A.V.M. Surjit Krishan Sharma VSM (Retd.)	Chairman	Non- Executive Independent Director	3	3
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	3	3
Mr. Ajay Dogra	Member	Non- Executive Independent Director	3	3

Ms. Anita K. Sharma, Company Secretary & VP Finance of the Company acts as the Secretary to the Committee.

A. Remuneration Policy

The Nomination and Remuneration Committee recommends to the Board the compensation package of the Executive Directors and also the compensation payable to the Non- Executive Directors of the Company in accordance with the provisions contained in the Act. The Non-Executive Directors are paid sitting fees for attending the Meetings of the Board of Directors and Committees within the ceiling prescribed by the Central Government.

The key components of the Company's Remuneration Policy are:

1. Remuneration Policy for the Executive Team.

This Policy concerns the remuneration and other terms of employment for the Company's Executive Team. The members of the Executive Team, including the Managing Director, Key Managerial Personnel, Whole Time Directors and Executive Directors are hereinafter referred to as the "Executives". The broad terms governing their remuneration

- Guiding principles for remuneration and other terms of employment: The guiding principle is that the remuneration and the other terms of employment for the Executives shall be Competitive in order to ensure that the Company can attract and retain competent Executives.
- The principles for fixed salaries and variable salary: The NRC shall recommend the remuneration structure of the Executives based on various factors such as industry benchmarks, the Company's performance, experience and expertise of the Executive, responsibilities shouldered by him, his contributions in bringing strategic upsurges and other economic factors appropriate to the working of the Company and its long term goals. The remuneration may be paid as salary, perquisites, allowances, incentives and commission (fixed or variable Component) within the overall ceiling approved by the Shareholders of the Company.
- Annual Enhancement of Remuneration: The annual enhancement in remuneration of the executives shall be within the salary scale is approved by the Shareholders of the Company.

2. Remuneration Policy for the Non- Executive and Independent Directors

- During the financial year under review, the Board of Directors in its meeting held on May 30, 2017 after reviewing and evaluating the performance of the Independents Directors, had increased the sitting fees to be paid to Independent Directors from Rs.15,000 to Rs. 20,000 for attending each meeting of the Board of Directors of the Company. Further, the sitting fees may be revised from time to time within the overall limits specified in the Companies Act, 2013.
- The Company may reimburse out-of-pocket expenses to Non-Executive Independent Directors for attending the meeting.

The Non-Executive Independent Directors have not drawn any Remuneration from the Company, except the sitting fees for attending the meetings of the Board.

Details of Remuneration paid to Executive Directors during the Financial Year 2017-18: (₹ In Crores)

S. No.	Name of the Directors	Basic Salary	Perquisites and other benefits	Commission / Incentive & other Allowances	Provident Fund	Total
1.	Late Mr. Brij Raj Punj*	0.37	0.21	-	-	0.58
2.	Mr. Bharat Raj Punj	0.41	0.23	-	0.05	0.69
3.	Mr. Achin Kumar Roy	0.82	0.38	1.44	0.10	2.74
4.	Mr. Mukat B. Sharma	0.32	0.18	-	0.04	0.54
5.	Mr. Nipun Singhal#	0.05	0.01	0.70	0.01	0.77

*Mr. Brij Raj Punj, Chairman & Managing Director of the Company, passed away on December 05, 2017. His salary is accounted till that date only.
#Mr. Nipun Singhal, Wholetime Director, resigned from the directorship of the Company w.e.f. May 8, 2017.

Note

1. No severance fee is payable on termination of contract.
2. The Company does not have any Stock Options Scheme.
3. The above remuneration excludes the provisions for gratuity and leave encashment, as the same is calculated on overall company basis.

Details of Sitting Fees paid to Non- Executive Independent Directors during the Financial Year 2017-18:

S. No.	Name of the Directors	Sitting Fees paid during the FY 2017-18. (Amount in ₹)
1.	A.V.M. Surjit Krishan Sharma VSM (Retd.)	75,000
2.	Dr. Geeta Ajit Tekchand	75,000
3.	Mr. Ramesh Kumar Vasudeva	75,000
4.	Mr. Ajay Dogra	75,000
5.	Ms. Deepti Sahai	75,000

B. Evaluation Criteria:

The Company has put in place the system for annual evaluation of Board as a whole, its committee and directors. The performance of the Board will be evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, board meetings and effectiveness of board processes, information and functioning, etc. The performance of the committees will be evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the compliance with the terms of reference of the Committees, composition of committees, functions and duties, committee meetings & procedures, etc.

The Board and the NRC reviews the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings, attendance, independent judgment etc. During the year, Mr. Brij Raj Punj, Chairman and MD of the Company passed away and the Board Members selected the Chairman of the each meeting amongst them. Hence, the evalution of the Chairman of the Board was not conducted during the year.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman will be evaluated, taking into account the views of executive directors and non-executive directors.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In accordance with the Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has constituted the Stakeholders Relationship Committee (SRC) to redress the Shareholders and investors grievances.

The committee comprises Four (4) members out of which three (3) are Non-Executive Independent Directors. The Committee deals with the matters related to redressal of Shareholders and investor grievances, including but not limited:

- To consider and resolve the grievances and request of the shareholders and other security holders of the Company pertaining to transfer/transmission of shares, non-receipt of Annual Reports, non-receipt of dividend, dematerialization/ rematerialization of shares, issuance of duplicate share certificates, etc.
- To oversee performance of the Registrar and Share Transfer Agent of the Company including to review their appointment/ re-appointment and terms of reference,
- To periodically review the implementation and compliance of Company's Code of Conduct for Prohibition of Insider Trading.
- To monitor the compliances with respect to the provisions of Companies Act, 2013 pertaining to shareholders and stakeholders, payment of dividend, Rules and Regulations prescribed by Securities & Exchange Board of India(SEBI), BSE, National Stock Exchange of India Ltd. and other regulatory bodies, etc.

Change in terms of reference of the Committee:

The Board of Directors of the Company had, in its meeting held on November 10, 2017, changed the terms of reference of the Stakeholders Relationship Committee with respect to transfer/transmission of securities, for smooth and prompt disposal of the transfer request by delegating the power of transfer/transmission of securities to the Company Secretary of the Company along with Registrar and Share Transfer Agent of the Company, who shall attend the formalities pertaining to transfer of securities at least once in a fortnight.

The Company Secretary shall place the report of all the transfers/transmission executed /objected along with demat / remat report in the next Stakeholder Relationship Committee meeting as well in the the Board Meeting for the perusal of members of the committee and the board respectively.

The Stakeholders Relationship Committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of the shareholder or investor concerns. During the year ended March 31, 2018, the Committee met 24 times. The details of the meetings held are as follows:

14.04.2017	29.04.2017	14.05.2017	22.05.2017	31.05.2017	09.06.2017
24.06.2017	30.06.2017	14.07.2017	28.07.2017	11.08.2017	21.08.2017
31.08.2017	07.09.2017	18.09.2017	29.09.2017	13.10.2017	23.10.2017
31.10.2017	10.11.2017	16.11.2017	31.01.2018	21.02.2018	31.03.2018

Adequate Quorum was present at all the meetings.

The Chairman of the Committee was present in the last AGM held on September 26, 2017.

The composition of the SRC and the details of meetings attended by its members are given below:

Name of the Directors	Designation	Category of Director	No. of Meetings Held	No. of Meetings Attended
A.V.M. Surjit Krishan Sharma VSM (Retd.)	Chairman	Non- Executive Independent Director	24	24
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	24	24
Mr. Ramesh Kumar Vasudeva	Member	Non- Executive Independent Director	24	24
Mr. Achin Kumar Roy	Member	Whole Time Director	24	24

Details of investors Complaints\requests received & redressed during the year:

Opening Balance	Received During the year	Resolved During the year	Closing Balance
0	29	29	0

VI. CORPORATE SOCIAL RESPONSIBILTY (CSR) COMMITTEE

The CSR Committee of the Company comprises of Mr. Achin Kumar Roy as its Chairman, Mr. Mukat B. Sharma and Dr. Geeta Ajit Tekchand as its members.

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The broad terms of reference CSR committee is as follows:

1. Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. Recommend the amount of expenditure to be incurred on the activities referred to above;
3. Monitor the CSR Policy of the Company.

Two meetings of the CSR committee were held during the year on August 10, 2017 and November 14, 2017. The composition of the CSR Committee and details of the meeting attended by its members are given below:

Name of the Directors	Designation	Category of Director	No. of Meetings Held	No. of Meetings Attended
Mr. Achin Kumar Roy	Chairman	Whole Time Director	2	2
Mr. Mukat B. Sharma	Member	Whole Time Director	2	2
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	2	2

Ms. Anita K. Sharma, Company Secretary & VP Finance is the Compliance Officer and acts as the secretary to the Committee.

VII. SUB-COMMITTEE OF THE BOARD OF DIRECTORS

The sub-committee of the Board of Directors of the Company comprises of Mr. Mukat B. Sharma as its Chairman, A.V.M. Surjit Krishan Sharma VSM (Retd.) and Dr. Geeta Ajit Tekchand as member as members of the Committee.

To aid the smooth and efficient functioning for administration and management of day to day affairs of the Company a Sub-Committee of the Board of Directors has been constituted and vested with the essential powers to perform various responsibilities. The Committee is authorized to transact all the businesses which the Board of Directors of the Company are

empowered to transact except for the transactions that are mandated to be dealt in at the Board Meeting and have been specifically barred pursuant to the provisions of the Companies Act, 2013 from being delegated to the Committee. The committee meets at regular intervals to decide upon matters of routine nature and the minutes of the Committee meeting held during the quarter are placed before the Board for consideration and ratification in the succeeding Board Meeting.

On August 10, 2017, the sub-committee was re-constituted by inducting Mr. Mukat B. Sharma, Wholetime Director & CFO of the Company as member of the Committee for its smooth and efficient functioning for administration and management of day to day affairs of the Company

Ms. Anita K. Sharma, Company Secretary & VP Finance acts as the Secretary to the committee.

There were 10 meetings held during the year under review, the details of the same are as follows:

29.04.2017	08.05.2017	09.06.2017	30.06.2017	20.09.2017	24.10.2017
21.12.2017	19.01.2018	14.03.2018	29.03.2018		

The proceedings of the committee are placed before the Board of Directors in their meeting for noting and ratification.

The details of the meeting attended by its members are given below:

Name of the Directors	Designation	Category of Director	No. of Meetings Held	No. of Meetings Attended
Late Mr. Brij Raj Punj	Chairman	Managing Director	10	02
Mr. Mukat B. Sharma*	Chairman	Whole Time Director & CFO	10	06
A.V.M. Surjit Krishan Sharma VSM (Retd.)	Member	Non- Executive Independent Director	10	10
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	10	10

*Due to the untimely demise of Mr. Brij Raj Punj, Chairman of the Committee and Chairman & Managing Director of the Company, the Board of Directors in its meeting held on February 14, 2018 reconstituted the committee and appointed Mr. Mukat B. Sharma as the Chairman of the Committee.

VIII. SPECIAL COMMITTEE FOR ALLOTMENT OF SHARES

The Special Committee of the Board which has been constituted for issue and allotment of shares and other securities issued time to time in pursuance of preferential allotments, private placements, right issues etc. to expedite the process of allotment and issue of shares. As this was constituted for special purpose and hence dissolved by the Board of Directors during the year.

No meeting of the committee was held during the year.

IX. GENERAL BODY MEETINGS

1. ANNUAL GENERAL MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date & Time	Venue	Details of Special Resolution passed thereat
2016-2017	September 26, 2017 at 09:30 A.M	Rama Ceremonial, Main Market, Sector-110 Kendriya Vihar II, Noida-201301 (U.P.)	No special resolution passed.
2015-2016	August 26, 2016 at 9:30 A.M.	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special resolution passed.
2014-2015	July 10, 2015 at 9:30 A.M	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special resolution passed.

2. POSTAL BALLOT

During the year under review, the Company has not passed any Resolution by way of Postal Ballot.

X. MEANS OF COMMUNICATION

The Company disseminates information to all the stakeholders through various channels:

Financial Results	Quarterly & Annual Results are published in daily newspapers viz. the Financial Express (All editions) and Jansatta (UP). The results are sent to stock exchanges as well as posted on the Company's website: www.leelelectric.com
News Releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: www.leelelectric.com
Website	The Company's corporate website is www.leelelectric.com which provides comprehensive information about the Company. The Annual Report of the Company is available on the website. The same is also sent to all the Stock Exchanges where the shares of the Company are listed.
Annual Report	Annual Report is circulated to all the members and all others entitled thereto like auditors, equity analyst etc.
Whether Management Discussion & Analysis report is a part of Annual Report or Not.	Yes
Whether Shareholder Information Section forms part of the Annual Report	Yes Details in case of appointment / re-appointment of directors have been provided in the Notice convening AGM.

XI. GENERAL SHAREHOLDERS INFORMATION

1.	**Registered Office**	:	Unit No. 8, Block B, Old District Courts, Complex, Industrial Area, Phase II, Noida, Uttar Pradesh, 201305.
2.	**Corporate Office**	:	159, Okhla Industrial Estste, Phase III, New Delhi 110020.
3.	**Annual General Meeting** **Date** **Time** **Venue**	 : : :	 September 28, 2018. 09:30 AM Rama Ceremonial, Main Market, Sector-110 Kendriya Vihar II, Noida-201301 (U.P.)
4.	**Financial Year**	:	The financial year of the Company covers the fiscal period from April 01 to March 31 every year.
5.	**Date of Book Closure/ Record date**	:	From Saturday September 22, 2018 till Friday September 28, 2018.
6.	**Dividend Payment**	:	Nil
7.	**Listing of Equity Shares**	:	The equity shares of the Company are listed at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). Annual Listing fees to the above Stock Exchanges for the Financial Year 2018-19, as applicable, have been paid well before the due date.
8.	**Custodial Fees to Depositories.**	:	Annual Custody / Issuer fee for the financial year 2018-19 has been paid within the due date.
9.	**Stock Code/ Symbol** **Corporate Identification No (CIN)** **Equity Shares** **BSE** **NSE** **ISIN**	 : 	 L29120UP1987PLC0191016 517518 LEEL INE245C01019

10. Unclaimed/Unpaid Dividend:

The Company has transferred the unpaid/ unclaimed dividends declared up to financial years 2009-10, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Hence, no claim shall lie against the Company in respect of the same. The Company has also uploaded the details of unpaid and unclaimed dividend lying with the Company as on September 26, 2017 (date of the 30th Annual General Meeting) along with the unpaid and unclaimed final dividend declared in the 30th AGM on the website of the Company and the same can be accessed through the link: http://www.leelelectric.com/unpaid-unclaimed-dividend.html.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to the IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issuance of duplicate warrant(s) to the company confirming non-encashment/non-receipt of dividend warrant(s). Once the unclaimed dividend is transferred to the IEPF, no claim shall lie with the Company in respect of the same.

Financial Year	Date of declaration	Due date for transfer to IEPF
2010-2011 (Final)	September 30, 2011	November 05, 2018
2011-2012 (Final)	September 8, 2012	October 14, 2019
2012-2013 (Final)	September 28, 2013	November 03, 2020
2013-2014 (Final)	July 21, 2014	August 26, 2021
2014-2015 (Final)	July 10, 2015	August 8, 2022
2015-2016 (Final)	August 26, 2016	September 30, 2023
Special Dividend 2017 (Interim Dividend)	May 30, 2017	July 4, 2024
Final Dividend	September 26, 2017	November 01, 2024

Transfer of Shares to the IEPF Authority

Attention of the members is drawn that the Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividends under Sections 124 and 125 of Companies Act, 2013 ('Act') and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules. As per the rules, the Company is required to transfer all the Shares in respect of which dividend has not been claimed by the shareholders for last seven consecutive years in the Demat Account of the IEPF Authority.

In accordance with the aforesaid provisions, the Company has already sent notices to all the shareholders who have not claimed dividend for last 7 consecutive years from the financial year 2010-11 and whose shares are due to be transferred to the IEPF Authority by the due date i.e. November 05, 2018 and published requisite advertisement in the newspapers. The full details of such shareholders and shares due for transfer are also uploaded on the website of the Company http://www.leelelectric.com/unpaid-unclaimed-dividend.html

Shareholders are requested to check the same and claim the unpaid dividend before the due date of transfer of dividend in order to avoid the transfer of dividend along with shares to the IEPF Authority. Shareholders may note that both the unclaimed dividend and the shares transferred to IEPF Authority can be claimed back by them from IEPF Authority after following the procedure prescribed by the IEPF Rules.

11. Share Transfer System

The Board has constituted the Stakeholders Relationship Committee and delegated the powers of share transfer to the Committee. The Board of Directors of the Company in its meeting held on November 10, 2017 approved the change in terms of reference of the Stakeholders Relationship Committee with respect to transfer/transmission of securities, for smooth and prompt disposal of the transfer request and delegated the power of transfer/transmission of securities to the Company Secretary of the Company along with Registrar and Share Transfer Agent of the Company, who shall attend the formalities pertaining to transfer of securities at least once in a fortnight.

The Company Secretary of the Company shall place the report of all the transfers/transmission executed /objected along with demat / remat report in the next Stakeholder Relationship Committee and the Board Meeting for the perusal of members of the committee and board respectively.

As on March 31, 2018, 99.36% of the Equity Shares of the Company are in electronic form. Transfer of physical shares in to electronic shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Skyline Financial Services Pvt. Limited (Registrar & Transfer Agent) of the Company. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects.

12. Reconciliation of Share Capital Audit

A Practicing Company Secretary carries out the reconciliation audit of the share capital in each quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized Shares held with NSDL and CDSL. The reconciliation of share capital audit reports for each quarter of the Financial Year ended March 31, 2018 have been filed with the Stock Exchanges within one month of the end of each quarter.

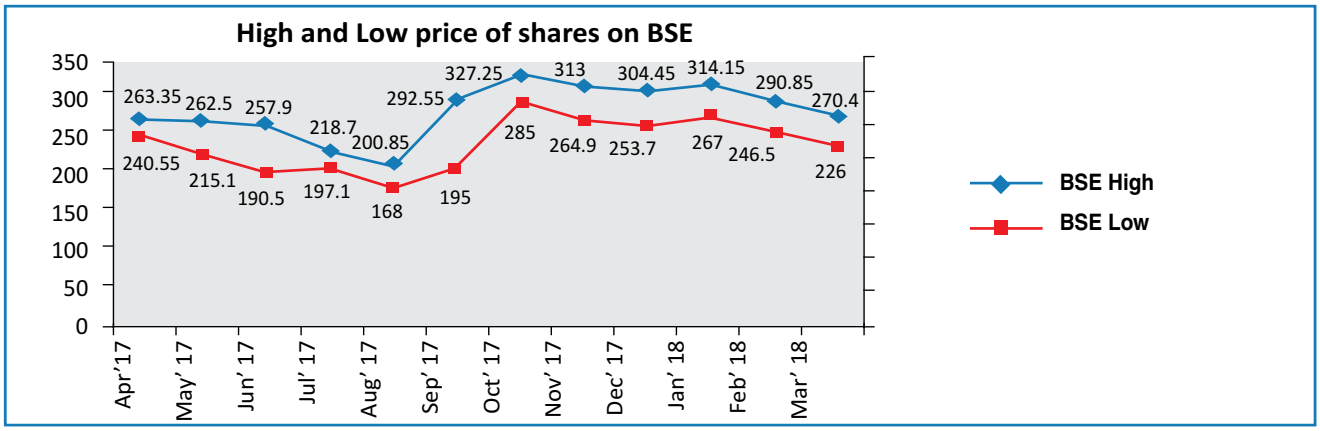
13. Financial Calendar for the financial year 2018-19 (Provisional):

Declaration of Results for the Quarter ended on	Tentative Date
Financial Reporting for the quarter ending June 30, 2018.	Declared on August 13, 2018
Financial Reporting for the quarter ending September 30, 2018.	On or before November 14, 2018
Financial Reporting for the quarter ending December 31, 2018.	On or before February 14, 2019
Financial Reporting for the quarter and year ending March 31, 2019.	On or before May 30, 2019
Annual General Meeting for the year ended March 31, 2019.	Before the end of September, 2019

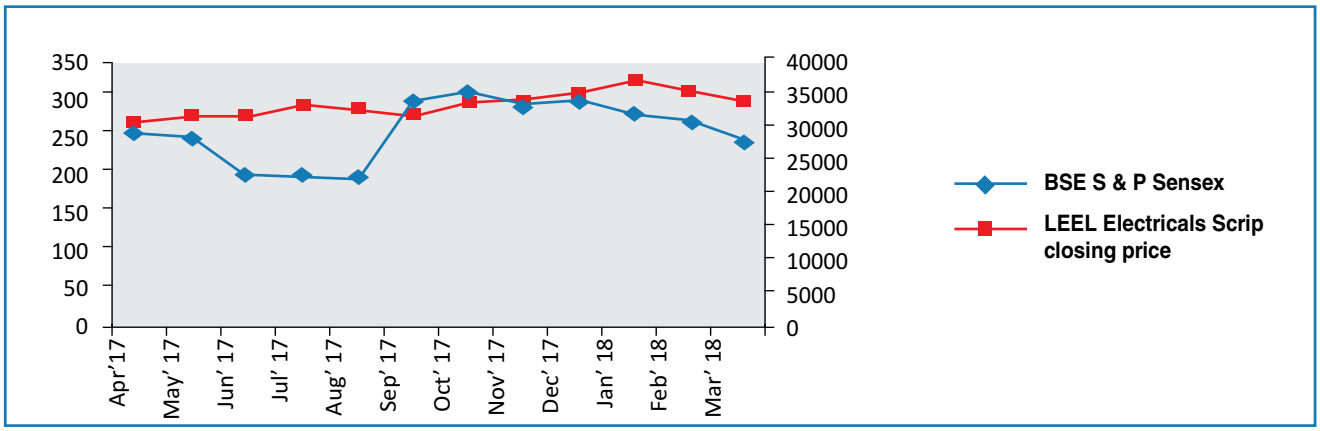
14. Market Price Data

Monthly high and low of the Equity Shares of the Company at BSE and NSE for the year ended 31st March, 2018 are as follows:

Particulars	BSE		NSE	
Months for the Financial Year 2017-2018	High (Rs./share)	Low (Rs./share)	High (Rs/share)	Low (Rs./share)
April' 17	263.35	240.55	263.50	239.70
May' 17	262.50	215.10	261.80	217.00
June' 17	257.90	190.50	257.90	190.10
July' 17	218.70	197.10	218.00	197.00
August' 17	200.85	168.00	201.00	166.10
September' 17	292.55	195.00	293.00	191.65
October' 17	327.25	285.00	327.00	284.60
November' 17	313.00	264.90	312.45	240.50
December' 17	304.45	253.70	305.00	252.00
January' 18	314.15	267.00	314.80	270.10
February' 18	290.85	246.50	290.95	247.00
March' 18	270.40	226.00	271.70	231.00

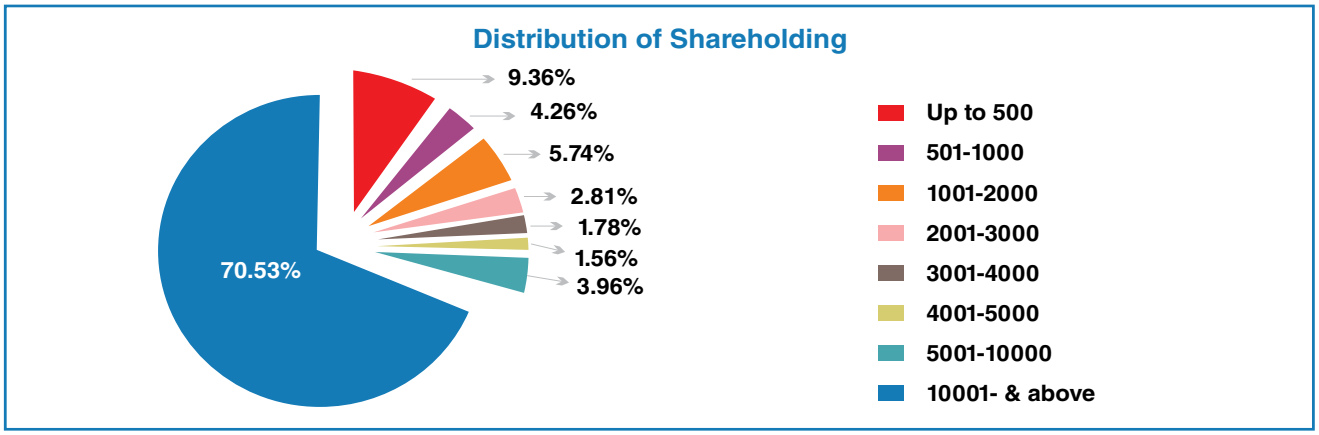


15. Performance of the Company in comparison to BSE Sensex during the financial Year 2017-18:



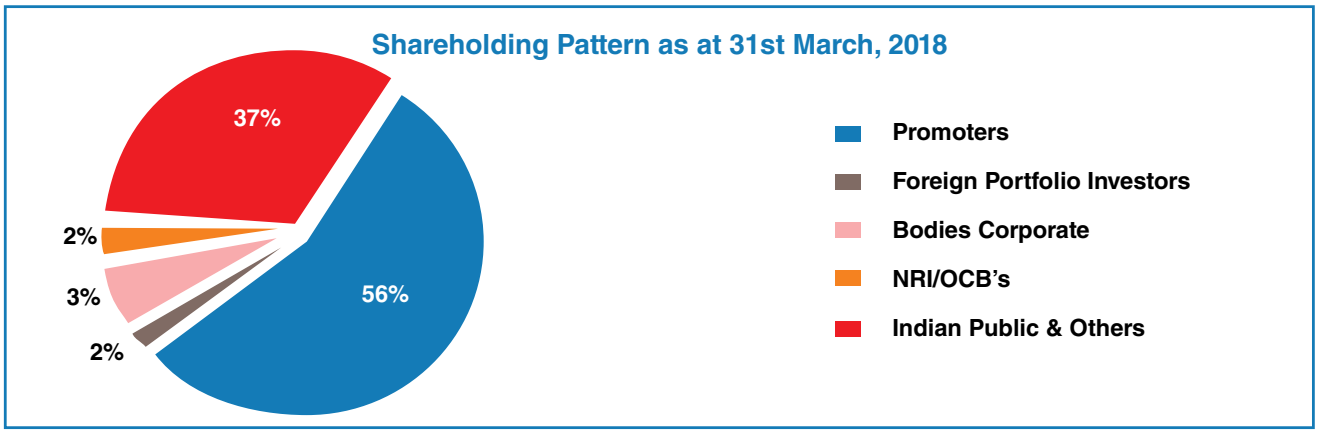
16. Distribution of Shareholding as on 31st March, 2018.

No. of Share held of Rs.10 each	No. of Shareholders	%age of Total	No. of Shares	%age of Total
Up to 500	32,827	87.13%	3,773,213	9.36%
501 to 1000	2,135	5.67%	1,719,381	4.26%
1,001 to 2,000	1,520	4.03%	2,313,412	5.74%
2,001 to 3,000	440	1.17%	1,135,329	2.81%
3,001 to 4,000	199	0.53%	716,936	1.78%
4,001 to 5,000	135	0.36%	630,160	1.56%
5,001 to 10,000	217	0.58%	1,598,109	3.96%
10,001 and & Above	201	0.53%	28,445,720	70.53%
Total	**37,674**	**100%**	**4,03,32,260**	**100%**



17. Shareholding Pattern as at 31st March, 2018.

Category	No. of Shares held	% of shareholding
Promoters	2,26,64,396	56.19%
Foreign Portfolio Investors	8,08,448	2.00%
Bodies Corporate	12,52,082	3.10%
NRI/OCB's	7,74,585	1.93%
Indian Public & Others	14,832,749	36.78%
Total	**4,03,32,260**	**100%**



Diagrammatic Presentation

18. Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2018, 4,00,91,278 equity shares of the Company, forming 99.36% of the shareholding stand dematerialized.

The Shares of the Company are regularly traded at the National Stock Exchange of India Ltd. and BSE Ltd.

19. Outstanding GDR's/ ADR's/ Warrants or any Convertible Instruments, Conversion date and Likely impact on equity.

Delisting from London Stock Exchange (LSE) pursuant to the cancellation/conversion of outstanding GDR's:

The Board of Directors of the Company in its meeting held on November 14, 2017, decided to terminate the existing Global Depository Facility and Deposit Agreement with the Bank of New York Mellon ('the BNY') in view of the high cost involved in maintaining the small number of outstanding Global Depository Receipts (GDRs) (i.e. 8,000 GDR's underlying 16,000 equity shares) listed on London Stock Exchange, where the trading was Nil.

Pursuant to the above, the BNY had issued 90 days' notice to GDR holders on December 8, 2017 regarding termination of the GDR facility and Deposit Agreement between the BNY and the Company and had given an opportunity to them to convert their GDRs into the underlying equity shares of the Company subject to the terms of the Deposit Agreement and applicable laws and regulations. In the event of non-conversion of GDRs by the GDR holders, the BNY would sell the underlying equity shares and deliver the net proceeds to the respective GDR holders subject to applicable taxes.

As per the information provided by the BNY, all the outstanding GDRs have been converted and / or cancelled and there is no GDR pending as on 31.03.2018.

Further, as the security ceases to exist, the Company also went for voluntary delisting of its GDRs from the London Stock Exchange (LSE), which was duly approved and got effected w.e.f. April 05, 2018.

20. Green initiative in Corporate Governance

As a continuing endeavor towards the 'Go Green' initiative, the Company sends all the correspondence and documents like the notice calling the general meetings, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the Members and made available to us by the Depositories.

The members holding shares in physical form are requested to intimate any change in their address to the Company's RTA i.e. Skyline Financial Services Pvt. Ltd. Those holding shares in dematerialised form should intimate any such change to their Depository Participants. However, in case you desire to receive communications and documents in physical form, you are requested to intimate us through e-mail at investor.relation@leelelectric.com. You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

Further, SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, has mandated that all the listed companies to update the PAN and Bank account details of the shareholders who are holding shares in physical form. For complete details please refer notice of 31st Annual General Meeting.

21. Compulsory Dematerialisation of Shares held in physical form

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 has directed that w.e.f. December 05, 2018, except in case of transmission or transposition of securities, the Company shall not process / give effect to any request of transfer of securities unless the securities are held in the dematerialized form. Any request for transfer of shares lodged in physical form after the aforesaid date shall be liable to be rejected, hence, all the shareholders who hold shares in physical form are advised to get their shares dematerialized with the depository (NSDL/CDSL) at the earliest but before December 05, 2018. To understand the process of dematerialization of shares, please refer the guidance note placed in our website.

Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants in their vicinity for getting their Shares dematerialised. In case any clarification is needed in this regard, the Shareholders may contact the Company Secretary of the Company or the Registrar & Share Transfer Agent (RTA) i.e Skyline Financial Services Private Limited.

Dematerialization of shares provides several benefits to the shareholders. The transaction of shares can be carried out quickly and in an easy way. Holding securities in Demat form helps the investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in Demat form and the brokerage involved is also lowest. The incidence of non-delivery or bad delivery and the risks associated such as forged transfers that occurs for the shares when held in physical format is totally avoided. Shareholders are not required to hold saleable set of shares for trading.

22. Plant Locations

Domestic Manufacturing Locations;

a)	A – 146, (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajashtan	d)	Plot No. S 21 & S 22, Non SEZ, Phase III, Sipcot Road, Mugundarayapuram, Ranipet, Vellore District (Tamilnadu)
b)	Industrial Area, Kala-Amb, Trilokpur Road, Sirmour, Nahan, Himachal Pradesh	e)	Village Nizampur, Taura, - Rewari Road, Tehsil- Tauru, Distt.- Mewat
c)	Plot No. 24, Sector 2, IIE, SIDCUL, Pantnagar, Haryana-122 105	f)	Khasra No. 1511-1512, Village SalempurMehdood, Industrial Park-II, SIDCUL, Bahadrabad Bypass Road, Distt. Haridwar, Uttarakhand- 249 402

Overseas Manufacturing Locations through subsidiaries:

a)	LEEL Coils Europe s.r.o Prague-5, Radotin Vrazaska 143 Postal Code 153000	b)	Noske-Kaeser Rail & Vehicle New Zealand Limited 20, Noel Rodgers Place, Milsone, Palmerston North, 44114 New Zealand.

Address for Correspondence and for grievance redressal:

Corporate Office
Investor Relation Department
LEEL Electricals Limited
159, Okhla Industrial Estate,
Phase-III, New Delhi-110020
Tel No. 91-11-40627200, 40627300
Fax: 91-11-41609909
E mail id: investor.relation@leelelectric.com
Website: www.leelelectric.com

Registrar & Share Transfer Agent
Skyline Financial Services Private LIMITED
D-153 A, First Floor,
Okhla Industrial Area, Phase-I
New Delhi- 110020
Tel : 011- 40450193 - 97
Fax : 91-11-26292681
E mail id: admin@skylinerta.com
Website: www.skylinerta.com

Compliance Officer
Anita K. Sharma
Company Secretary & VP Finance
FCS No: F7373

XII. OTHER DISCLOSURES

1. Code of Conduct

The Company has adopted Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has been posted on the website of the Company for general viewing at:

http://leelelectric.com/pdf/Code-of-Conduct-LEEL.pdf

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Annual Report contains a declaration to this effect signed by the Chairman & Managing Director.

2. Related Party Transactions

During the year under review, besides the transactions reported in Notes forming part of the financial statements for the year ended March 31, 2018, which are entered in ordinary course of business and on arm's length basis, there were no other material related party transactions of the Company with its promoters, directors or the management or their relatives and subsidiaries. These transactions do not have any potential conflict with the interest of the Company at large. These have been approved by the audit committee and the Board of Directors of the Company. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link:

http://leelelectric.com/pdf/Material%20Related%20Party%20Policy.pdf

3. Disclosure of Accounting Treatment

Please refer Board's Report for disclosure of Accounting Treatment.

4. Risk Management

The Risk Management of the Company is overseen by the Senior Management and the Board at various levels. The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts.

5. Disclosure by Senior Management

Senior Management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

6. CEO / CFO Certification

The Wholetime Director and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17 (8) and Part B of Schedule II of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31 March 2018, which is annexed hereto.

7. Whistle Blower Policy/ Vigil Mechanisim

In compliance with section 177 of the Companies Act, 2013 and regulation 22 of the Listing Regulations, the Company has adopted a Whistle Blower Policy/Vigil Mechanisim which enables every employee of the Company to promptly report to the management about any actual or possible violation-s of the policy or an event he/ she becomes aware of that could affect the business or reputation of your Company. The Company affirms that no personnel has been denied access to the Audit Committee in respect to reporting of any unlawful information. The said policy has been also put up on the website of the Company at the following link:

http://leelelectric.com/pdf/Whistle-Blower-Policy-%20LEEL.pdf

8. Archival Policy

In accordance with the requirements of Regulation 30(8) of the Securities & Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 ("Listing Regulations"), the listed entity shall disclose on its website all such events or information which is required to be disclosed to Stock Exchange(s) under Regulation 30, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

The same are available at following link.

http://leelelectric.com/pdf/Archival%20Policy.pdf

9. Policy for Preservation of Documents

Pursuant to Regulation 9 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations"), the Company has formulated a policy for prevention of documents.

This objective of the policy is to set the standards for storing and preservation of documents of the Company broadly classified in the following two categories:

a) documents whose preservation shall be permanent in nature ;

b) documents with preservation period of not less than eight years after completion of the relevant transactions.

The same are available at following link:

http://leelelectric.com/pdf/Policy%20for%20preservation%20of%20documents.pdf

10. Subsidiary companies

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The Company does not have any material non-listed Indian subsidiary. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link:

http://leelelectric.com/pdf/Material%20Subsidiary%20Policy.pdf

11. Prohibition of Insider Trading

The Company has adopted Code of Conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at:

http://leelelectric.com/pdf/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf

12. Policy for Determining Materiality of Event / Information

The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents. The same are available at following link.

http://leelelectric.com/pdf/Policy%20for%20determining%20Matriality%20of%20Event%20or%20Information.pdf

13. Adoption of mandatory and discretionary requirements

The Company has complied with all the mandatory requirements as specified in the Listing Regulations.

The Company has adopted non-mandatory requirements as specified under Part E of Schedule II of the Listing Regulations such as financial statements of the Company are unqualified and the Internal Auditor directly reports to the Audit Committee.

14. Commodity price risk or foreign exchange risk and hedging activities;

Please refer management discussion analysis and notes to financial statements for details

15. Management Discussion And Analysis

The Management Discussion and Analysis forms part of the Annual Report and is given separately.

16. Extract of Annual Return (Form MGT-9)

The extract of Annual Return for the Financial Year ended March 31, 2018 as prescribed under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is available on the Company's website viz. www.leelelectric.com

17. Disclosure of any non-compliances / penalty imposed

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

DECLARATION OF CODE OF CONDUCT

(Pursuant to the provisions of Regulation 34(3) and Schedule V (D) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of LEEL Electricals Limited

This is to confirm that the Company has obtained from all the members of the Board and the Senior Management Personnel, affirmations that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2018.

For LEEL Electricals Ltd.

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN: 01432035)

Date: May 30, 2018
Place: New Delhi

COMPLIANCE CERTIFICATE

To,
The Members of
LEEL Electricals Limited
(Formerly Lloyd Electric & Engineering Limited)
Regd. Off. : Unit No. 8, Block-B, Old District Courts Complex,
Industrial Area, Phase-II, Noida,
Uttar Pradesh 201305

We have examined the compliance of conditions of Corporate Governance by LEEL Electricals Limited (Formerly Lloyd Electric & Engineering Ltd.) ('the Company'), for the year ended 31st March, 2018, as stipulated as per the provisions of Regulation 34(3) and Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for the period April 01, 2017 to March 31, 2018.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

Sanjay Chugh
Company Secretary in Whole time Practice
COP No.: 3073

Date: 13.08.2018
Place: New Delhi

CEO/ CFO CERTIFICATION

(Under Regulation 17 (8) and Part B of Schedule II of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors
LEEL Electricals Limited
Corp. Off. : 159, Okhla Industrial Estate,
Phase III, New Delhi 110020.

Sub.: Certificate under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We, Mukat B. Sharma, Whole Time Director and Chief Financial Officer and Achin Kumar Roy, Whole Time Director of LEEL Electricals Limited do hereby certify that we have reviewed the financial statements and the cash flow statement of the Company for the financial year ended on March 31, 2018 and that to the best of our knowledge and belief:

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

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

(3) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

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

We further certify that the following information have been indicated to the Auditors and the Audit Committee:

a) there have been no significant changes in internal control over financial reporting during the year;

b) there have been no significant changes in accounting policies during the year; and

c) there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

	Mukat B. Sharma	**Achin Kumar Roy**
Date: May 30, 2018	**Wholetime Director and CFO**	**Wholetime Director**
Place: New Delhi	**(DIN: 02942036)**	**(DIN: 01475456)**

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report

TO THE MEMBERS OF LEEL ELECTRICALS LIMITED

Report on the Standalone Indian Accounting Standards (IND AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **LEEL ELECTRICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including 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 standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by other firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 30, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   (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 knowledge and belief and according to the information and explanations given to us:

      (i) The company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – refer note 36.

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

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

      (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018

2. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Goel Garg & Co.**
Chartered Accountants
Firm's Registration Number 000397N

Ashok Kumar Agarwal
Partner
Membership Number 084600

Place of Signature: New Delhi
Date: May 30, 2018

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1(f) of the report on other legal and regulatory requirements of the Independent Auditors' Report of even date to the members of LEEL Electricals Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of **LEEL ELECTRICALS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal financial controls with reference to financial statements

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

Limitations of Internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, 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 **Goel Garg & Co.**
Chartered Accountants
Firm's Registration Number 000397N

Ashok Kumar Agarwal
Partner
Membership Number 084600

Place of Signature: New Delhi
Date: May 30, 2018

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 of the report on other legal and regulatory requirements of the Independent Auditors' Report of even date to the members of LEEL Electricals Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018, we report that:

(i) In respect of the Company's Property, plant and equipment:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipment and other Intangible assets).

(b) The Property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of one year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, immovable properties of land that have been taken on lease and disclosed as Property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company. The Company does not have any freehold land.

(ii) The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to books and records were not material and have been appropriately dealt with in the books of accounts.

(iii) The Company has granted unsecured loans to two subsidiary companies, covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/unsecured loans to firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations for one subsidiary. The other subsidiary has filed insolvency and the company has fully provided allowance for doubtful outstanding loan and interest thereon.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans and investments made, and guarantees and securities provided by it.

(v) The Company has not accepted any deposits from public within the meaning of Section 73, 74, 75 and 76 of the Act and Rules framed there under to the extent notified.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax (with effect from July 1, 2017), and other material statutory dues, as applicable, with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax (with effect from July 1, 2017),

and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Customs Duty and Excise Duty which have not been deposited as at March 31, 2018 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ Crores
Customs Act,1962	Customs Duty	CESTAT, Allahabad	2014-15	0.11
Customs Act,1962	Customs Duty	Deputy Commissioner, Custom, Noida	2015-16	0.04
Central Excise Act, 1944	Excise Duty	CESTAT, Jaipur	2017-18	1.93
Customs Act,1962	Customs Duty	CESTAT, Mumbai	2015-16	46.23
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals) Jaipur	2017-18	0.81

(viii) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted during the year in repayment of loans and borrowings to any financial institution or bank. The Company does not have any dues to debenture holders or outstanding loans or borrowings from government during the year.

(ix) In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

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

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

(xii) As the Company is not a Nidhi Company and the Nidhi Rules,2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **Goel Garg & Co.**
Chartered Accountants
Firm's Registration Number 000397N

Ashok Kumar Agarwal
Partner
Membership Number 084600

Place of Signature: New Delhi
Date: May 30, 2018

Balance Sheet

AS AT 31ST MARCH 2018

(₹ In Crores)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non Current assets			
Property, Plant and Equipment	3	320.15	317.71
Capital Work in Progress	4	313.23	10.13
Other Intangible Assets	5	3.29	1.29
Financial Assets			
(i) Investments	6	106.30	108.45
(ii) Loans	7	1.78	6.90
(iii) Other Financial Assets	8	0.33	0.20
		745.08	444.68
Current Assets			
Inventories	9	741.90	992.01
Financial Assets			
(i) Trade Receivables	10	658.79	693.60
(ii) Cash and Cash Equivalents	11	19.15	89.65
(iii) Bank Balance other than (ii) above	12	1.00	0.92
(iv) Loans	13	9.59	8.13
(v) Other Financial assets	14	87.90	46.91
Other Current Assets	15	44.00	64.41
		1,562.33	1,895.63
TOTAL ASSETS		**2,307.41**	**2,340.31**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	40.34	40.34
Other Equity	17	1,265.27	881.01
		1,305.61	921.35
Non Current Liabilities			
Financial Liabilities			
Borrowings	18	-	50.95
Long term Provisions	19	78.29	6.82
Deffered Tax Liabilities (Net)	20	54.72	0.65
		133.01	58.42
Current Liabilities			
Financial Liabilities			
(i) Borrowings	21	473.73	1,025.08
(ii) Trade Payables	22	352.20	133.02
(iii) Other Financial Liabilities	23	9.34	125.67
Other Current Liabilities	24	17.74	50.26
Short Term Provisions	25	0.58	6.62
Current Tax Liabilities (Net)		15.20	19.89
		868.79	1,360.54
TOTAL EQUITY AND LIABILITIES		**2,307.41**	**2,340.31**

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date attached
For **Goel Garg and Co.**
Chartered Accountants
Firm Registration No. 000397N

For and on behalf of the Board

Ashok Kumar Agarwal
Partner
Membership No. 084600

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Statement of Profit and Loss

FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Crores)

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	26	1,962.57	3,022.43
Other income	27	40.74	1.98
Total Income		**2,003.31**	**3,024.41**
Expenses			
Cost of materials consumed	28	1,124.10	2,198.77
Purchases of Stock-in-Trade	29	47.76	270.13
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	30	508.58	(62.14)
Excise duty on Sale of goods		11.77	45.12
Employee benefits expense	31	62.92	96.69
Finance costs	32	66.55	118.89
Depreciation and amortization Expense	33	33.35	35.97
Other expenses	34	102.21	202.01
Total Expenses		**1,957.24**	**2,905.44**
Profit before exceptional items and tax		**46.07**	**118.97**
Exceptional Items	48	645.23	-
Profit before tax:		**691.30**	**118.97**
from continued operation		34.87	118.97
from dis-continued operation	48	11.20	-
from exceptional items	48	645.23	-
Profit before tax		**691.30**	**118.97**
Tax expense:			
Current tax on:	50	162.06	36.20
Continued operation		5.75	36.20
Discontinued operation	48	3.36	-
Exceptional items	48	152.95	-
Earlier year tax adjustment		5.31	-
Deferred tax	50	1.70	(2.37)
Total Tax Expense		**169.07**	**33.83**
Net Profit for the year		**522.23**	**85.14**
from continued operation		22.11	85.14
from dis-continued operation	48	7.84	-
from exceptional items	48	492.28	-

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Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Fair value of Investment (Gain)		0.63	0.79
Acturial gain or losses		0.40	(0.68)
Taxes		(0.14)	0.23
Total Comprehensive Income for the year		**523.12**	**85.48**
Earnings per equity share (Face value ₹ 10 each) (for continuing operations including exceptional items)	41a		
Basic (in ₹)		127.76	22.18
Diluted (in ₹)		127.76	21.20
Earnings per equity share (Face value ₹ 10 each) (for discontinued operations)	41b		
Basic (in ₹)		1.94	-
Diluted (in ₹)		1.94	-
Earnings per equity share (Face value ₹ 10 each) (for discontinued and continuing operations including exceptional items)	41c		
Basic (in ₹)		129.71	22.18
Diluted (in ₹)		129.71	21.20
The accompanying Notes are an integral part of the Financial Statements			

As per our Report of even date attached
For **Goel Garg and Co.**
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Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Statement of Changes in Equity

AS ON 31ST MARCH 2018

A. Equity Share Capital

Particulars	No. of Shares	(₹ in crores)
Balance as at 31st March 2016*	36,205,260	36.21
Changes in Equity Share Capital	4,127,000	4.13
As at March 31, 2017	**40,332,260**	**40.34**
Changes in Equity Share Capital	-	-
As at March 31, 2018	**40,332,260**	**40.34**

* Amount includes ₹ 64,500 towards shares forfeited during previous years.

B. Other Equity

(₹ In Crores)

Particulars	Reserves & Surplus						Other Comprehensive Income		Total Other Equity
	Equity Component of Other Financial Instruments (Share Warrants)	Capital Reserve (Share Warrant Forefeited by the Company)	Securities Premiume Account	General Reserve	Retained Earning	Fair Value of Invest-ment	Revaluation Reserve (Land Reval-ued as on 31st March 1993)	Acturial Gain & Losses on re-tirement benefits	
Balance as at 31st March 2016	19.44	11.25	211.64	217.72	297.39	0.60	0.23	-	758.27
Profit for the Year	-	-	-	-	85.14	-	-	-	85.14
Transfer Share Warrant into Shares	(19.44)	-	-	-	-	-	-	-	(19.44)
Premium Amount from Coversion of Warrants	-	-	58.60	-	-	-	-	-	58.60
Addition in Fair Value of Investment	-	-	-	-	-	0.79	-	-	0.79
Acturial Gain & Loss	-	-	-	-	-	-	-	(0.44)	(0.44)
Share Warrant Forfeited	-	3.75	-	-	-	-	-	-	3.75
Dividend (Including Dividend Distribution Tax)	-	-	-	-	(5.66)	-	-	-	(5.66)
Transfer to Reserve	-	-	-	30.00	(30.00)	-	-	-	-
Balance as at 31st March 2017	**-**	**15.00**	**270.24**	**247.72**	**346.87**	**1.39**	**0.23**	**(0.44)**	**881.01**
Profit for the Year	-	-	-	-	522.23	-	-	-	522.23
Addition in Fair Value of Investment	-	-	-	-	-	0.63	-	-	0.63
Acturial Gain & Loss	-	-	-	-	-	-	-	0.26	0.26
Special Dividend (including Dividend Tax)	-	-	-	-	(97.09)	-	-	-	(97.09)
Deferred tax (earlier year)	-	-	-	-	(34.49)	-	-	-	(34.49)
Dividend (Including Dividend Distribution Tax)	-	-	-	-	(7.28)	-	-	-	(7.28)
Balance as at 31st March 2018	**-**	**15.00**	**270.24**	**247.72**	**730.24**	**2.02**	**0.23**	**(0.18)**	**1,265.27**

As per our Report of even date attached
For **Goel Garg and Co.**
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Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Statement of Cash Flow

FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Crores)

	Particulars	For the Year ended 31 March 2018	For the Year ended 31 March 2017
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**		
	Profit before tax		
	-from continuing operation including exceptional items	680.10	118.97
	-from discontinued operation	11.20	-
2	**Adjustments for :**		
	Depreciation and amortization Expense	33.35	35.98
	Loss/(gain) on disposal of property, plant and equipments (net)	0.19	(0.07)
	Acturial gain or losses	0.40	(0.68)
	Life time credit risk on trade receivables	1.60	0.27
	Allowance for doubtful Advance recoverable in cash and kind or for value to be Recovered (Related party) - Noske-Kaeser Rail & Vehicle Germany GmbH	1.29	-
	Allowance for doubtful loans to Noske-Kaeser Rail and Vehicle Germany GmbH	12.54	-
	Impairment in the value of investment - Noske-Kaeser Rail & Vehicle Germany GmbH	3.75	-
	Finance costs	66.55	118.89
	Dividend income	(0.02)	(0.02)
	Deferred tax liability on provision in e-waste	17.75	-
	Unrealized foreign exchange (gain)/loss(net)	5.78	-
	Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	-	0.04
	Interest Income	(10.21)	(1.32)
3	**Operating Profit before Working Capital Changes (1+2)**	**824.27**	**272.06**
4	**Net Change in:**		
	Trade Receivables	33.20	(96.46)
	Inventories	250.09	(115.09)
	Non-current and current other financial assets	(41.12)	0.60
	Non-current and current Security deposit	1.01	0.13
	Other Bank balances	(0.07)	0.25
	Other Non-current and current assets	19.12	(36.20)
	Trade Payable	213.42	19.87
	Other Current financial liabilities	(87.65)	2.53
	Other current liabilities	(32.53)	39.81
	Non-current and current provisions	65.44	5.03
	Change in Working Capital	**420.91**	**(179.53)**
5	**Cash Generated from Operating Activities (3+4)**	**1,245.18**	**92.53**
6	**Taxes Paid**	(172.06)	(21.80)
7	**Net Cash Flow from Operating Activities (5-6)**	**1,073.12**	**70.73**
B	**Cash Flow from Investing Activities:**		
	Purchase of Property, plant and equipment	(30.73)	(31.68)
	Purchase of other intangible assets	(2.85)	-
	Payment of Capital Work in Progress	(313.23)	(3.43)
	Proceeds from disposal of Property, plant & equipment	5.04	0.09
	Proceeds from disposal of other intangible assets	0.69	-
	Purchase of Investments	(0.97)	(2.73)
	Loan given	(9.90)	-
	Interest received	10.21	1.32
	Dividend received	0.02	0.02
	Net Cash Generated/(Used) in Investing Activities:	**(341.72)**	**(36.41)**

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C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Issue of Share Capital	-	47.05
	(Repayment)/Proceeds from working capital loan	(551.35)	126.77
	Repayment of term loan	(79.23)	(36.78)
	Repayment of subsidiary loan	-	(21.97)
	Repayment of vehicle loan	(0.40)	(0.55)
	Interest paid	(66.55)	(118.89)
	Dividends paid (including dividend tax)	(104.37)	(5.66)
	Net Cash Generated/(Used) from Financing Activities:	**(801.90)**	**(10.03)**
D	**Net Change in Cash & cash equivalents (A+B+C)**	**(70.50)**	24.28
E	Net increase/ decrease in Cash and Cash Equivalents (for discontinued and continuing operations including exceptional items)	(70.50)	24.28
	Net increase/ decrease in Cash and Cash Equivalents (for continuing operations including exceptional items)	(78.34)	-
	Net increase/ decrease in Cash and Cash Equivalents (for discontinued operations)	7.84	-
	Opening Balance of Cash and Cash Equivalents	**89.65**	**65.37**
	Closing Balance of Cash and Cash Equivalents	**19.15**	**89.65**

The Amendment Ind AS 7 Cash Flow Statements requires the entities 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, suggesting inclusion of a reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017.

As at 31 March 2017		Cash Flow	Non Cash Changes	As at 31 March 2018
79.23	-	(79.23)	-	-

As per our Report of even date attached
For **Goel Garg and Co.**
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Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018

1. Corporate Information

LEEL Electricals Limited (Formerly known as Lloyd Electric & Engineering Limited) is a public Company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) in India. The Company is the largest manufacturer of heat exchangers coils in India

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act. 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.

2.2 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.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on nature of service and the between the acquisition of assets or inventories for the processing and their realization in cash and cash equivalents.

2.3 Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.4 Property, Plant and Equipment (PPE)

An item of property, plant and equipment that qualifies as an assets is measured on initial recognition at cost.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of PPE comprise 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 input tax credit availed wherever applicable., net of less accumulated depreciation and location for its intended use, including borrowing costs relating to the qualified asset over the period up to the date the assets are put to use is included in cost of relevant assets.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

The carrying amount of a property, plant and equipment is de-recognized when no future economic benefits are expected from its use or on disposal.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected for more than one year are capitalized.

The Company had elected to consider the carrying value of all its property plant & equipment appearing in the financial statement prepared in accordance with accounting standards notified under the section 133 of the Company act 2013, read together with rule 7 of the companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS balance sheet prepared on 1st April, 2015.

Depreciation on property plant and equipment is provided on straight line method based on estimated useful life of assets as prescribed in schedule II to the Companies Act, 2013.Estimated useful lives of the assets are as follow:-

Class of Assets	Rate of Depreciation
Buildings	30 Years
Plant & Machinery	15 Years
Office Equipment	5 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years

The property, plant and equipment acquired under finance leases, if any, is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets.

Gains and losses on de-recognition/disposals are determined as the difference between the net disposal proceeds and the carrying amount of those assets. Gains and Losses if any, are recognized in the statement of profit or loss on de-recognition or disposal as the case may be.

Capital Work-in-Progress

Cost of assets not ready for intended use, on the balance sheet date is shown as capital work in progress.

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows:

Product Development Expenses

Cost of Product Development expenses will be amortized over its useful life of 5 Years.

The Company had elected to consider the carrying value of all its intangible assets appearing in the financial statement prepared in accordance with accounting standards notified under the section 133 of the Company act 2013, read together with rule 7 of the companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS balance sheet prepared on 1st April, 2015.

The amortization period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is derecognized or on disposal.

2.6 Impairment of tangible assets and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount

2.7 Inventories

a) Basis of valuation

Inventories 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.

b) Method of valuation

Raw materials and consumables has been determined by using weighted average cost method and comprises all cost of purchase, freight costs, customs duty (wherever paid) taxes (other than those subsequently recoverable from Tax authorities) and all other cost incurred in beginning the inventory to their present location and condition. The cost is determined using the Weighted Average Method.

Work in progress include direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition.

Finished goods includes direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on moving weighted average basis.

Stock in transit lying in customs warehouse does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

2.8 Foreign Exchange Transactions

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency Transactions in foreign currency are recorded on initial recognition at the spot rate prevailing at the time of the transaction.

At the end of each reporting period

Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured terms of historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings

The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded in so far as they relate to the acquisition of depreciable capital assets are shown by addition to/deduction from the cost of the assets as per exemption provided under IND AS 21 read along with Ind AS 101 appendix 'D' clause-D13AA.

Exchange differences on monetary items receivable from or payable to a foreign operation which settlement is neither planned nor likely to occur (therefore forming part of the investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2.9 Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to profit & loss account in the period in which it is incurred except loan processing fees which is recognized as per Effective Interest Rate method. Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Employee Benefits

Contribution to Provident fund/Pension fund: Retirement benefits in the form of Provident Fund / Pension Schemes are defined contribution schemes and the contributions are charged to the Profit & Loss Account in the year when the contributions to the respective funds become due. The Company has no obligation other than contribution payable to these funds.

Gratuity liability and leave encashment is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year on using the projected unit credit method. However, The Company is in process of having arrangement with Insurance co. to administer its Superannuation & Gratuity Fund.

Defined benefit plans: Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income and
- measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

Short-term and other long-term employee benefits: A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date

The cost of the defined benefit gratuity plan and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation 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.

The most sensitive is discount rate. The management has considers the interest rates of government bonds. Future salary increases and gratuity increases are based on expected future inflation rates.

2.11 Tax Expenses

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

Current Tax: Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in equity)

Deferred Tax: Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which 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 are recognized for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

2.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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. When acquired, such assets are capitalized at fair value of the leased property or present value of minimum lease payments, at the inception of lease, whichever is lower.

Other leases are Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized over the lease term on the straight line basis.

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in PPE. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

As a lessee

Leases in which significant portions of risks and reward of ownership are not transferred to the Company as lessee are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

2.13 Fair Value Measurement

The Company measures certain 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 the 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 a 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, maximizing 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 the 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 & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.14 Financial Instrument

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.

Financial asset is any assets that is

- Cash;
- an equity instrument of another entity;
- a contractual right:
  - (i) to receive cash or another financial asset from another entity; or
  - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets includes non-current investments, loan to employees, security deposits, trade receivables and other eligible current and non-current assets

Financial Liability is any liabilities that is

- a contractual obligation :

  (i) to deliver cash or another financial asset to another entity; or

  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

- a contract that will or may be settled in the entity's own equity instruments and is:

  (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

  (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities includes Loans, trade payable and eligible current and non-current liabilities

i) Classification:

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met, the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

ii) Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

iii) Financial assets subsequent measurement

Financial assets as subsequent measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortized cost or fair value through profit or loss

iv) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial a classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

v) Trade Receivables

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortized cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the Company and all that the Company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

vi) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value other than investment in subsidiary, Associates and Joint venture. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis

vii) Cash and cash Equivalents

Cash and cash equivalent 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 an insignificant risk of changes in value.

viii) Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ix) Financial liabilities

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

x) Trade payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

xi) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

xii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of Company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, net of direct issue costs.

xiii) De-recognition of financial instrument

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

xiv) Offsetting of financial instruments

Financial 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

xv) Derivative Financial Instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss.

2.15 Provision and Contingent Liability

i. 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.

ii. Contingent liabilities, if material, are disclosed by way of notes unless the possibility of an outflow of resources embodying the economic benefit is remote and contingent assets, if any, is disclosed in the notes to financial statements.

iii. A provision is recognized, when Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

2.16 Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Revenue

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. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trade discounts, rebates and other similar allowances. Revenue includes excise duty however excludes GST, sales tax, value added tax, works contract and any other indirect taxes or amounts collected on behalf of the Government.

Revenue is recognized only when the significant risk and reward of the ownership is transferred to the buyer usually on delivery of the goods. Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company, revenue can be reliably measured and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Further, sales include revision in prices received from customers with retrospective effect. Similarly, price revision for material purchased has also been included in purchases. Further adjustments, if any, are made in the year of final settlement.

Interest Income is recognized using the effective interest rate method

Dividend income is recognized when the Company's right to receive payment is established.

Export sales are accounted on the basis of date of bill of lading.

Payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

2.18 Segment Reporting

i. Business Segment

As per Ind AS 108, the Company has reportable segments viz. Consumer Durable Business till 8th May 2017, OEM & packaged Air-conditioning and Heat Exchanger & Components Products during the year under review. Accordingly the reporting is done segment wise.

ii. Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows;

- Sales within India represent sales made to customers located within India.
- Sales outside India represent sales made to customers located outside India.

2.19 Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

2.20 Research and development

Expenditure on research is recognized as an expenses when it is incurred. Expenditure on development with does not meet the criteria for recognition as an intangible assets recognized as an expenses when it is incurred

2.23 Event after reporting date

Where events occurring after balance sheet date provide evidence of condition that existed at the end of the reporting period, the impact of such event is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.24 Investment In subsidiary and associate companies

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, "Separate financial statement".

2.25 Recent accounting pronouncements

Standards issued but not yet effective

In March 2018, the ministry of corporate affairs (MCA) issued the companies (Indian accounting standards) Amendments rules 2018, notifying Ind AS 115, "Revenue from contract with customers", Appendix B to Ind AS 21, Foreign currency transaction and advance consideration made by international accounting standards board (IASB). These amendments are applicable to the Company from 1st April 2018. The Company will be adopting the amendments from their effective date.

a) Ind AS 115, Revenue from contract with customers.

Ind AS 115 Supersedes Ind AS 11, Construction contract and Ind AS 18, Revenue. Ind AS 115 require an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customer. The principal of Ind As 115 is that an entity recognise revenue that demonstrate the transfer of promised goods and services to customer at an amount that reflect the consideration to which the entity expect to be entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contacts at the date of initial application of standards.

Based on preliminary assessment performed by the Company, the impact of application of the standards is not expected to be material.

b) Appendix B to Ind AS 21, foreign currency transaction and advance consideration.

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the assets, expenses or income (or part of it) is the date on which an entity initially recognises the non-monetary assets or non-monetary liability arising from the payment or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance in consideration. The impact of the appendix on the financial statements, as assessed by the Company, is expected to be not material.

2.26 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 of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

NOTE 3: PROPERTY, PLANT & EQUIPMENT

The Changes in the carrying value of property, plant and equipment for the year ended 31 March 2018 were as follows:

(₹ In Crores)

Particulars	Leasehold Land	Temporary Constructions	Buildings	Plant & Machinery	Office Equipment	Vehicles	Furniture & Fixtures	Total
Gross Carrying Value as at 1st April 2017	1.44	0.12	63.43	471.56	7.48	7.22	3.97	555.22
Additions	-	-	12.29	26.86	1.01	0.13	0.58	40.87
Deletions	-	-	-	0.71	3.73	0.36	2.37	7.17
Gross Carrying Value as at 31st March 2018	**1.44**	**0.12**	**75.72**	**497.71**	**4.76**	**6.99**	**2.18**	**588.92**
Accumulated Depreciation as at 1st April 2017	-	0.11	13.16	213.26	5.22	4.36	1.40	237.51
Depreciation for the year	-	-	2.03	29.86	0.53	0.45	0.33	33.20
Adjustment	-	-	-	0.20	1.04	0.06	0.64	1.94
Accumulated Depreciation as at 31st March 2018	-	0.11	15.19	242.92	4.71	4.75	1.09	268.77
Net Carrying Value as at 31st March 2018	**1.44**	**0.01**	**60.53**	**254.79**	**0.05**	**2.24**	**1.09**	**320.15**
Net Carrying Value as at 31st March 2017	**1.44**	**0.01**	**50.27**	**258.30**	**2.26**	**2.86**	**2.57**	**317.71**

Borrowing cost capitalised during the period amount Rs. 27,188,736 (Previous year Rs NIL) Refer Note No. 32

The Changes in the carrying value of property, plant and equipment for the year ended 31 March 2017 were as follows:

(₹ In Crores)

Particulars	Leasehold Land	Temporary Constructions	Buildings	Plant & Machinery	Office Equipment	Vehicles	Furniture & Fixtures	Total
Gross Carrying Value as on 1st April 2016	1.44	0.12	62.85	442.49	6.50	7.32	3.07	523.79
Additions	-	-	0.58	29.09	0.98	0.12	0.90	31.67
Deletions	-	-	-	0.02	-	0.22	-	0.24
Gross Carrying Value as on 31st March 2017	**1.44**	**0.12**	**63.43**	**471.56**	**7.48**	**7.22**	**3.97**	**555.22**
Accumulated Depreciation as of 1st April 2016	-	0.11	11.17	182.97	4.25	3.94	1.08	203.52
Depreciation for the year	-	-	1.99	30.29	0.97	0.64	0.32	34.21
Adjustment	-	-	-	-	-	(0.22)	-	(0.22)
Accumulated Depreciation as of 31st March 2017	**-**	**0.11**	**13.16**	**213.26**	**5.22**	**4.36**	**1.40**	**237.51**
Net Carrying Value as on 31st March 2017	**1.44**	**0.01**	**50.27**	**258.30**	**2.26**	**2.86**	**2.57**	**317.71**
Net Carrying Value as on 31st March 2016	**1.44**	**0.01**	**51.68**	**259.52**	**2.25**	**3.38**	**1.99**	**320.27**

NOTE 4: CAPITAL WORK IN PROGRESS

(₹ In Crores)

Particulars	As at 31 March 2017	Additions	Assets capitalised during the year	As at 31 March 2018
Capital work in progress	10.13	313.23	10.13	313.23
Total	**10.13**	**313.23**	**10.13**	**313.23**

NOTE 5: OTHER INTANGIBLE ASSETS

The Changes in the carrying value of Intangible Assets for the year ended 31 March 2018 were as follows:

(₹ In Crores)

Particulars	Logo of Brand "LLOYD"	Intangible generated Internally - Product Development Expenses	Total
Gross Carrying Value as at 1st April 2017	13.87	0.74	14.61
Additions	-	2.85	2.85
Deletions	13.87	-	13.87
Gross Carrying Value as at 31st March 2018	**-**	**3.59**	**3.59**
Accumulated Depreciation as at 1st April 2017	13.18	0.15	13.32
Depreciation for the year	-	0.15	0.15
Adjustment	13.18	-	13.18
Accumulated Depreciation as at 31st March 2018	-	0.30	0.30
Net Carrying Value as at 31st March 2018	**-**	**3.29**	**3.29**
Net Carrying Value as at 31st March 2017	**0.70**	**0.59**	**1.29**

The Changes in the carrying value of Intangible Assets for the year ended 31 March 2017 were as follows:

(₹ In Crores)

Particulars	Logo of Brand "LLOYD"	Intangible generated Internally - Product Development Expenses	Total
Gross Carrying Value as on 1st April 2016	13.87	0.74	14.61
Additions	-	-	-
Deletions	-	-	-
Gross Carrying Value as on 31st March 2017	**13.87**	**0.74**	**14.61**
Accumulated Depreciation as of 1st April 2016	11.56	-	11.56
Depreciation for the year	1.61	0.15	1.76
Adjustment	-	-	-
Accumulated Depreciation as of 31st March 2017	13.17	0.15	13.32
Net Carrying Value as on 31st March 2017	**0.70**	**0.59**	**1.29**
Net Carrying Value as on 31st March 2016	**2.31**	**0.74**	**3.05**

NOTES-6 INVESTMENTS

(₹ In Crores)

Particulars	Currency	No of Shares	Face Value	As at 31 March 2018	No of Shares	As at 31 March 2017
Investment measured at fair value through other comprehensive income						
Non-trade, Quoted, fully paid						
Investments in equity instruments						
Blue Star Ltd	INR	392	2	0.03	392	0.03
Castrol (India) Ltd.	INR	40	5	0.00	20	-
Chambal Fertilizers & Chemicals Ltd.	INR	1,000	10	0.02	1,000	0.01
DB International Stock Brokers Ltd	INR	13,000	2	0.01	13,000	0.01
Dot Com. Global Ltd	INR	24,200	10	0.00	24,200	-
Shardul Securities Ltd.	INR	25,600	10	0.11	25,600	0.11
ACE Edutrend Ltd	INR	16,900	10	0.00	16,900	-
Dion Global Solutions Limited	INR	160	10	0.00	160	-
Healthfore Technologies Ltd	INR	80	10	0.00	80	-

Contd...

Glaxosmithkline Pharmaceuticals Ltd	INR	125	10	0.03	125	0.03
HDFC Bank Ltd.	INR	125	2	0.02	125	0.02
Hindustan Unilever Ltd.	INR	1,350	1	0.18	1,350	0.12
JSW Steel Limited	INR	11,240	1	0.32	11,240	0.21
Lumax Industries Limited	INR	4,600	10	1.01	4,600	0.64
Panasonic Energy India Co.Ltd	INR	500	10	0.02	500	0.01
Pan India Corporation Ltd	INR	200	10	0.00	200	-
Sterlite Technologies Ltd	INR	525	2	0.02	525	0.01
Sterlite Power Transmission Ltd	INR	105	2	0.00	105	-
Subros Limited	INR	150	2	0.00	150	-
Tata Chemicals Limited	INR	50	10	0.00	50	-
Tata Consultancy Services Limited	INR	832	10	0.24	832	0.20
Visesh Infotecnics Limited	INR	1,100	1	0.00	1,100	-
Voltas Limited	INR	500	1	0.03	500	0.02
GHCL Ltd.	INR	15,000	10	0.39	15,000	0.41
Archies Ltd.	INR	50,000	2	0.16	50,000	0.12
				2.59		**1.95**
Non Trade, Unquoted, fully paid						
Investment in equity instruments						
Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.), Related party	INR	300,000	10	0.30	300,000	0.30
Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd.), Related party	INR	350	10	0.00	350	-
Carrier Airconditioning & Refrigeration Ltd.	INR	400	10	0.00	400	-
				0.30		**0.30**
Non Trade, Unquoted, fully paid						
Investment in Mutual Funds						
SBI Mutual Fund	INR	100,000	10	**0.13**	**100,000**	**0.13**
Trade, Unquoted, fully paid						
Investment in equity instruments						
In Wholly owned subsidairies*						
LEEL Coils Europe s.r.o (Formerly Lloyd Coils Europe s.r.o)	CZK	*	*	45.01	*	45.01
Janka Engineering s.r.o	CZK	*	*	38.66	*	38.66
Noske-Kaeser Rail & Vehicle Germany GmbH	EURO	*	*	3.75	*	3.75
Less: Impairment in value of investments				(3.75)		-
Noske-Kaeser Rail & Vehicles New Zealand Ltd.	NZD$	*	*	19.61	*	18.65
Leel Services s.r.o.	CZK	*	*	0.00	*	-
				103.28		**106.07**
Total				**106.30**		**108.45**
Aggregate amount of quoted investments and market value thereof				2.59		1.95
Aggregate amount of unquoted investments				107.46		106.50
Aggregate amount of impairment in vlaue of investments				3.75		-

		31 March 2018		31 March 2017		
***Name of Subsidiary**	**Currency**	**Registered Capital**	**Capital Contribution**	**Registered Capital**	**Capital Contribution**	**Percentage of holding**
LEEL Coils Europe s.r.o (Formerly Lloyd Coils Europe s.r.o)	CZK	7.00	5.75	7.00	10.98	100%
Janka Engineering s.r.o	CZK	6.49	20.37	6.49	8.53	100%
Noske-Kaeser Rail & Vehicle Germany GmbH	EURO	0.00	0.03	0.00	0.03	100%
Noske-Kaeser Rail & Vehicles New Zealand Ltd.	NZD$	0.67	-	0.67	-	100%
Leel Services s.r.o.	CZK	0.00	3.93	-	-	100%

NOTE 7: LOANS (AT AMORTISED COST)

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good		
Security Deposits	1.78	2.80
Unsecured, Doubtful		
Loans to Subsidiary Company - Noske-Kaeser Rail and Vehicle Germany GmbH (Refer note no 39)	12.54	4.10
Less : Allowance for doubtful loans to Subsidiary Company	(12.54)	-
Total	**1.78**	**6.90**

NOTE 8: OTHER FINANCIAL ASSETS

(₹ In Crores)

Other Bank Balance	0.33	0.20
Total	**0.33**	**0.20**

NOTE 9: INVENTORIES (AT LOWER OF COST AND NET RELISABLE VALUE)

(₹ In Crores)

Raw materials	713.53	455.06
Work in Progress	10.95	22.38
Finished Goods	17.42	514.57
Total	**741.90**	**992.01**
Inventories include Goods in transit:		
Raw materials	110.30	94.07

NOTE 10: TRADE RECEIVABLES , UNSECURED

(₹ In Crores)

Trade Receivables -Considered Good *	662.10	695.31
Less : Allowance for Expected Credit Loss on Trade Receivable **	3.31	1.71
Total	658.79	693.60
*Trade receivable are non interest bearing and generally on terms of 30 to 90 days		
Trade receivable includes balances with related parties as follows:		
LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.) - Subsidiary	0.48	0.48
Janka Engineering s.r.o.- Subsidiary	0.05	0.05
Total	**0.53**	**0.53**

** Refer note no 47(b)

NOTE 11: CASH AND CASH EQUIVALENTS

(₹ In Crores)

Balance with Banks-Current accounts	19.01	89.41
Cash on hand	0.14	0.24
Total	**19.15**	**89.65**

NOTE 12: OTHERS BANK BALANCES

(₹ In Crores)

Unclaimed dividend accounts	0.85	0.22
Fixed Deposits with maturity more than three months	0.12	0.12
Receipt pledged with Bank for margin money (Including Interest)	0.03	0.58
Total	**1.00**	**0.92**

NOTE 13: LOANS

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good		
Security Deposits	2.12	2.11
Loans to related party - Subsidiary Company (refer note no 39)		
LEEL Coils Europe s.r.o (Formerly Lloyd Coils Europe s.r.o)	7.47	6.02
Total	**9.59**	**8.13**

NOTE 14: OTHER FINANCIAL ASSETS

(₹ In Crores)

Security Deposit to Related party (refer note 40c)	87.54	46.88
Interest accrued on Fixed Deposit with Banks	0.01	0.03
Derivative Assets	0.35	-
Total	**87.90**	**46.91**

NOTE 15: OTHER CURRENT ASSETS

(₹ In Crores)

Prepaid expenses	0.51	24.29
Advances for capital goods	9.16	5.89
Balance with Statutory/ Govt. Authorities	21.39	24.02
Advance recoverable in cash and kind or for value to be recovered	-	10.17
Other advances to:(refer note 40c)		
Related party - Fedders Electric & Engineering Limited	12.73	-
Subsidiary Company - Noske-Kaeser Rail and Vehicle Germany GmbH	1.29	-
Less:- Allowance for doubtful advance - Noske-Kaeser Rail & Vehicle Germany GmbH	(1.29)	-
Advances to employees	0.21	0.04
Total	**44.00**	**64.41**

NOTE 16: EQUITY SHARE CAPITAL

(₹ In Crores)

1. Authorized Capital		
7,00,00,000 Equity Shares of Rs. 10/- each	70.00	70.00
(Previous year 7,00,00,000 Equity Shares of Rs. 10/- each)		
Total Authorized Share Capital	70.00	70.00
2. Issued & Subscribed Capital		
4,03,45,160 Equity Shares of Rs. 10/- each	40.35	40.35
(Previous Year 4,03,45,160 equity shares of Rs. 10/- each)		
3. Paid up Capital		
4,03,32,260 Equity Shares of Rs. 10/- each fully paid up	40.33	40.33
(Previous Year 4,03,32,260 equity shares of Rs. 10/- each)		
Add:- Equity Shares forfeited	0.01	0.01
(amount originally paid up)		
Total	**40.34**	**40.34**

NOTES:-

1. Out of the above Equity Shares

a) Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts('GDRs') issued during the year 2005-06. As at March 31, 2018, no GDR is pending for conversion.

b) In the Financial Year 2006-07, the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 equity shares on receipt of payment advice by the shareholders and accordingly 400 Equity Shares had been restored back.

c) During the Financial Year 2013-14, 43,20,000 Equity Shares of Rs. 10/- each were alloted to the shareholders of Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) pursuant to the scheme of arrangement involving demerger and vesting of heat exchanger business of PROC into the Company.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2018		31 March 2017	
	No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)
Equity Shares				
Shares outstanding at the beginning of the year	40,332,260	40.33	36,205,260	36.21
Shares Issued during the year*	-	-	4,127,000	4.13
Shares outstanding at the End of the year	40,332,260	40.33	40,332,260	40.33

*includes allotment of 17,00,000 equity shares of Rs. 10 each at a premium of Rs. 142 each and 24,27,000 equity shares of Rs. 10 each at a premium of Rs. 142 each alloted to Promoter Group Entities on September 03, 2016 and on September 08, 2016 respectively, upon conversion of equivalent number of warrants issued on preferential basis.

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2018		31 March 2017	
	No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt. Ltd.	3,713,520	9.21	3,713,520	9.21
Fedders Sales Pvt. Ltd. (Formerly Lloyd Sales Pvt. Ltd.)	3,315,005	8.22	3,315,005	8.22
Airserco Pvt. Ltd.	3,304,133	8.20	3,304,133	8.20
Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)	2,253,416	5.59	2,253,416	5.59

As per the records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 17: OTHER EQUITY

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Capital Reserve	15.00	11.25
Add: Share warrant forfeited	-	3.75
	15.00	**15.00**
Securities Premium Account	270.24	211.64
Add: Premium Amount from conversion of Warrants	-	58.60
	270.24	**270.24**
General Reserve		
Opening Balance	247.72	217.72
Add: Transfer from Profit and Loss Account	-	30.00
	247.72	**247.72**
Retained Earnings		
Opening Balance	346.87	297.39
Profit for the year	522.23	85.14
Special Dividend (including Dividend Tax)	(97.09)	-
Deferred tax (earlier year)	(34.49)	-
Dividend Paid (including tax on dividend)	(7.28)	(5.66)
Transfer to General Reserve	-	(30.00)
	730.24	**346.87**

Contd...

Other Comprehensive Income:		
Remeasurement of Retirement Benefit		
Opening Balance	(0.44)	-
Addition During the Year	0.26	(0.44)
	(0.18)	**(0.44)**
Revaluation Reserve net of tax	**0.23**	**0.23**
(Land Revalued as on 31st March 1993)		
Fair Value of Investment		
Opening Balance	1.39	0.60
Addition during the year	0.63	0.79
	2.02	**1.39**
Total	**1,265.27**	**881.01**

NOTE 18: BORROWINGS

(₹ In Crores)

(Refer note no 35a)		
Secured		
Term Loans(Indian Currency)		
From banks	**-**	**50.95**
Total	**-**	**50.95**

NOTE 19: LONG TERM PROVISIONS

(₹ In Crores)

Provision for Employee Benefit		
Gratuity (Refer note no 44)	**4.14**	**6.82**
Leave Encashment	**1.13**	**-**
Provision for e waste*	**73.02**	**-**
Total	**78.29**	**6.82**

* A provision is recognised for probable e-waste liability based on "Extended Producer Responsibility" as furnished by the Company to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as 'Exception item" in the statement of profit and loss.

NOTE 20: DEFERRED TAX LIABILITIES (NET)

(₹ In Crores)

(Refer Note No 50 (b))		
Deferred tax liabilities	**56.43**	**2.47**
Deferred tax assets	**(1.71)**	**(1.82)**
Total	**54.72**	**0.65**

NOTE 21: BORROWINGS

(₹ In Crores)

(Refer note no 35b)		
Secured		
Working Capital from Banks	473.73	1,025.08
Total	**473.73**	**1,025.08**

NOTE 22: TRADE PAYABLES

(₹ In Crores)

Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note no 38)	4.81	2.76
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	347.39	130.26
	352.20	**133.02**
*Trade payable includes balances with related parties as follows:		
LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.) - Subsidiary	3.89	2.55
Janka Engineering s.r.o.- Subsidiary	0.24	0.24
Noske Kaeser Rail & Vehicles New Zealand Limited ("NK NZ") Subsidiary	0.27	0.84
Total	**4.40**	**3.63**

NOTE 23: OTHER FINANCIAL LIABILITIES

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term debt		
Term Loans (Refer note no 35a)	-	28.28
Loan Against Vehicles (Refer note no 35c)	0.75	1.15
Interest accrued but not due on Borrowings	1.25	0.45
Unclaimed Dividend	0.85	0.31
Expenses Payable*	6.49	27.25
Other Liabilities	-	66.68
Derivative Liabilities	-	1.55
	9.34	**125.67**
*Expenses payable includes balances with related parties as follows:		
Remunereation payable to KMP	0.41	0.38

NOTE 24: OTHER CURRENT LIABILITIES

(₹ In Crores)

Due to Statutory Bodies	9.31	50.26
Advance from customer	8.43	-
Total	**17.74**	**50.26**

NOTE 25: SHORT TERM PROVISIONS

(₹ In Crores)

Provision for Employee Benefit		
Gratuity (Refer note no 44)	0.31	0.26
Leave Encashment	0.07	1.18
Provision for warranty*	0.20	5.18
Total	**0.58**	**6.62**

*A provision is recognised for expected warranty claims and after sales services on products sold during the last one to five 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 one 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 one year warranty period for all products sold.

NOTE 26: REVENUE FROM OPERATION

(₹ In Crores)

Particulars	For the Year Ended 31 March 2018	For the Year Ended 31 March 2018
Sale of Products*	1,953.67	3,013.82
Other Operating Revenues	8.90	8.61
Total	**1,962.57**	**3,022.43**

**Sales for the period 01st July 2017 to 31st March 2018 is net of Goods and Service Tax (GST). However, sales for the previous year and for the period 01st April 2017 to 30th June 2018 is gross of excise duty.

NOTE 27: OTHER INCOME

(₹ In Crores)

Interest Income		
- from Subsidiary	0.52	0.81
- from fixed deposits	9.42	0.01
- from others	0.27	0.50
- from financial Assets at amortisation cost	0.15	0.15
Dividend Income from equity instrument measured at FVTOCI	0.02	0.02
Gain on Sale on Fixed Assets	-	0.07
Foreign Exchange Fluctuations (net)	30.00	-
Other non operatiing income (net of expenses)	0.36	0.42
Total	**40.74**	**1.98**

NOTE 28: COST OF MATERIAL CONSUMED

(₹ In Crores)

Particulars	For the Year Ended 31 March 2018	For the Year Ended 31 March 2018
Raw Material		
Opening stock	360.99	344.95
Purchases during the year	1,337.00	2,174.28
Carriage Inwards	29.34	40.53
	1,727.33	2,559.76
Less: Closing stock	603.23	360.99
Total	**1,124.10**	**2,198.77**

NOTE 29: PURCHASE OF STOCK IN TRADE

(₹ In Crores)

Other consumer goods	47.76	270.13
Total	**47.76**	**270.13**

NOTE 30: CHANGE IN INVENTORY

(₹ In Crores)

Opening stock		
Work-in-progress	22.38	20.97
Finished goods	514.57	453.84
	536.95	474.81
Closing stock		
Work-in-progress	10.95	22.38
Finished goods	17.42	514.57
	28.37	536.95
Total	**508.58**	**(62.14)**

NOTE 31: EMPLOYEE BENEFIT EXPENSE

(₹ In Crores)

Salaries and wages including bonus	55.36	89.47
Contribution to Provident and other funds	2.18	4.00
Staff Welfare expenses	5.38	3.22
Total	**62.92**	**96.69**

NOTE 32: FINANCE COST

(₹ In Crores)

Interest on:		
Bank Loan	54.92	98.99
Subsidiary Company loan	-	0.17
Other borrowing cost - Bank Charges	14.35	19.73
	69.27	118.89
Less: Borrowing cost capitalised during the year	(2.72)	-
Total	**66.55**	**118.89**

NOTE 33: DEPRECIATION AND AMORTIZATION EXPENSE

(₹ In Crores)

Depreciation on Property, Plant and Equipment	33.20	34.21
Amortization of Intangible Assets	0.15	1.76
Total	**33.35**	**35.97**

NOTE 34: OTHER EXPENSES

(₹ In Crores)

Particulars	For the Year Ended 31 March 2018	For the Year Ended 31 March 2018
Advertising expenses	24.06	86.10
Auditor's remuneration (Refer Note No 42)	0.47	0.23
Bad debts	10.22	-
Business promotion	7.56	11.71
Contribution towards corporate social responsibility (CSR) (Refer Note No 51)	3.13	1.36
Factory overheads	5.94	8.01
Fair value loss on financial assets	-	0.04
Foreign exchange fluctuations (net)	-	4.32
Insurance	1.28	2.08
Legal and professional	6.47	8.00
Life time credit risk on trade receivables	1.60	0.27
Loss on sale of fixed assets	0.19	-
Miscellaneous expenses	3.30	2.33
Motor car expenses	0.62	0.40
Octroi and carriage outwards	11.30	21.38
Postage and telephone expenses	1.42	4.89
Power and fuel	6.96	7.07
Printing and stationery	0.34	0.71
Rents, rates and taxes (Refer Note No 53)	3.14	11.32
Repairs and maintenance		
Machinery	3.85	4.09
Building and office	0.36	0.29
Service contract charges/ installations/ warranty	5.56	17.87
Travelling and conveyance	4.44	9.54
Total	**102.21**	**202.01**

Notes to Accounts

35) Borrowings

a) Term Loan

1. Indian rupee loan of ₹ 35.00 Crores from IDBI Bank Ltd. carries interest @ 12.25% p.a. on ₹ 17.50 Crores and @ 11.50% p.a. on ₹ 17.50 Crores. The Loan is repayable in 16 quarterly installment of ₹ 2.19 crores each after monotorium of 12 Months from the date of loan i.e. 31st March, 2013. The Company has taken disbursement of ₹ 31.50 Crores.

2. Indian rupee loan for ₹ 120.00 Crores from State Bank of India carries interest @ 11.00% p.a. The Loan is repayable in 24 quarterly installment of ₹ 5.00 crores each after monotorium of 12 Months from the date of loan i.e. 30.06.2013.

3. Indian rupees loan for ₹ 20.00 Crores from State Bank of India (Formerly State Bank of Bikaner & Jaipur) carries interest @ 12% p.a. The Loan is repayable in 16 Quarterly installment of ₹ 1.25 Crores each after monotorium of 9 Months from the date of Loan i.e. 01.09.2015.

4. The above loans were secured by way of first charge on Pari-Passu basis on the Property, Plant and Equipments of the Company and second hypothecation charge on the Stock/Book Debts.

5. The loan has been fully repaid during the current period.

b) Working Capital Loan from Banks

Working capital loans from banks carry an average interest rate of 10.50% to 11.50% (31st March, 2017 : 10.50% to 11.50%).

The working capital loans, fund based as well as non-fund based are secured by way of first hypothecation charge on the stocks/ book debts, both present and future and second charge on pari-passu basis on the Property, Plant and Equipments of the Company. This includes working capital loan in the form of Cash Credit Limit, Working Capital Demand Loan, Bill Discounted and Buyer's Credit etc.

c) Loan against Vehicle

1. Indian rupee loan for ₹ 4.4 Lacs from HDFC Bank Ltd. carries interest @ 9.78% p.a. The Loan is repayable in 36 equated monthly installments of ₹ 14,125 starting from 05.09.2016.

2. Indian rupee loan for ₹ 6.44 Lacs from HDFC Bank Ltd. carries interest @ 8.62% p.a. The Loan is repayable in 36 monthly installment of ₹ 20,329 starting from 07.08.2017.

3. Indian rupee loan for ₹ 7.15 Lacs from HDFC Bank Ltd. carries interest @ 9.53% p.a. The Loan is repayable in 48 monthly installment of ₹ 17,930 starting from 15.07.2016.

4. Indian rupee loan for ₹ 1.125 Crores from HDFC Bank Ltd. carries interest @ 9.48% p.a. The Loan is repayable in 60 monthly installment of ₹ 234,925 starting from 07.10.2015.

5. The above loans are secured by way of hypothecation of Company's Vehicle.

36) Contingent Liabilities not provided for

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
A. Claims against the company / disputed liabilities not acknowledged as debts		
a. HP State Electricity Board	0.11	0.11
b. Central Excise & Customs Matters*	49.13	3.31
c. Income Tax Matters (Pending Rectifications)	1.25	2.95
d. With a Vendor	0.79	0.79
B. Guarantees		
i) Bank Guarantees	11.95	24.56
ii) Unconditional and irrevocable Corporate Guarantee of AUD 6 Million in favour M/s Bombardier Transportation (v/Line) Australia Pty Ltd. ("Bombardier"). This guarantee is issued as a security for the performance of the agreement executed by Noske Kaeser Rail & Vehicles New Zealand Limited (WOS) with the Bombardier for the manufacture and supply of equipment's by the WOS.	30.02	29.72
iii) Unconditional and irrevocable Performance Guarantee of NZD 3.8 million in favour of M/s Downer EDI Rail Pty Limited ("Downer). This guarantee is issued as a security for the performance of the agreement executed by Noske Kaeser Rail & Vehicles New Zealand Limited (WOS) with the Downer for the supply of air conditioner equipment and services by the WOS.	17.93	17.25
iv) Unconditional and irrevocable Performance Guarantee of AUD 2.9 Million in favour of EDI Rail-Bombardier Transportation Maintenance Pty Ltd. ("EDIBT") for the performance of the contract executed by Noske Kaeser Rail & Vehicles New Zealand Limited (WOS) with the EDIBT in the ordinary course of business.	14.51	Nil

*During the financial year 2015-16, the Company has received total demand of ₹ 46.23 crores under show cause notices from custom department. Demand has been confirmed by the Commissioner of Custom, Maharashtra vide order dated 20th April 2017. The Company has filed an appeal before CESTAT Mumbai against above said order.

37) Contracts remaining to be executed

On capital account and not provided for	NIL	NIL

38) Micro and Small Scale Business Entities

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount, not there was necessity to pay interest for delayed payment in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

(₹ In Crores)

Particulars	31 March 2018	31 March 2017
Principal amount unpaid to suppliers under MSMED Act, 2006.	4.81	2.76
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	0.08	0.08
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payments already made	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-

39) Disclosure as per regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Loan given to Subsidiary and outstanding (₹ in crores)

Name of the Company	Relationship	Amount Outstanding as on 31 March 2018	Amount Outstanding as on 31 March 2017
LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.) Czech Republic	Wholly owned subsidiary	7.47	6.02
Noske-Kaeser Rail & Vehicles, Germany GmbH	Wholly owned subsidiary	12.54	4.10
Less: Allowances for doubtful loan		(12.54)	-

40) Related Party Disclosures: (in which some Directors are interested)

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (under the section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provision of the Act)) are disclosed below:-

A. Names of related parties and related Party relationships

i. Wholly Owned Subsidiaries
   a. LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.) Czech Republic
   b. Janka Engineering s.r.o. Czech Republic
   c. LEEL Services s.r.o. Czech Republic
   d. Noske Kaeser Rail & Vehicle Germany GmbH (Under insolvency)
   e. Noske Kaeser US Rail & Vehicle LLC;
   f. Noske Kaeser Rail & Vehicles New Zealand Limited ("NK NZ");
   g. Noske-Kaeser Rail & Vehicle Australia Pty Ltd (Indirect Wholly owned subsidiary through NK NZ)
   h. Noske-Kaeser Empreendimentos e Participaçôes do Brasil Ltd. (Indirect Wholly owned subsidiary through NK NZ)

ii. List of Key management personnel as defined under Accounting Standard (Ind AS) 24, 'Related party disclosures' :
   a. Late Mr. Brij Raj Punj — Chairman & Managing Director (till 5th Dec 2017)
   b. Mr. Bharat Raj Punj — Managing Director w.e.f 30th May 2018 (Deputy Managing Director till 29th May 2018)
   c. Mr. Achin Kumar Roy — Whole Time Director
   d. Mr. Mukat B. Sharma — Whole Time Director & Chief Financial Officer
   e. Mr. Nipun Singhal — Whole Time Director (Resigned w.e.f. 8th May, 2017)

iii. Enterprises owned or significantly influenced by key management personnel or their relatives;
   a. Fedders Electric & Engineering Ltd. (Formerly Fedders Lloyd Corporation Ltd.)
   b. Fedders Lloyd Trading FZE
   c. Airserco Pvt. Ltd.
   d. Perfect Radiators & Oil Coolers Pvt. Ltd.
   e. PSL Engineering Pvt. Ltd.
   f. Regal Information Technology Pvt. Ltd.
   g. Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd.)
   h. Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.)
   i. Fedders IT Technology Pvt. Ltd. (Formerly Lloyd IT Technology Pvt. Ltd.)
   j. Fedders Sales Pvt. Ltd. (Formerly Lloyd Sales Pvt. Ltd.)
   k. Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)
   l. Fedders Infotech (India) Pvt. Ltd. (Formerly Lloyd Infotech (India) Pvt. Ltd.)
   m. Fedders Stock & Investments Pvt. Ltd. (Formerly Lloyd Stock & Investments Pvt. Ltd.)
   n. Himalayan Mineral Waters Pvt. Ltd.
   o. Punj Engineering Pvt. Ltd.
   p. Punj Services Pvt. Ltd.
   q. Pandit Kanahaya Lal Punj Pvt. Ltd.
   r. PSL Wolfe JV Pvt. Ltd.
   s. Pandit Kanahaya Lal Punj Trust
   t. Brij Raj Punj(HUF)

B. Transactions during the period with Related Parties are as under:

(₹ in Crores)

Name of Related Party	2017-18	2016-17
	Amount	Amount
Fedders Electric & Engineering Ltd. (Formerly Fedders Lloyd Corporation Ltd.)		
Sales of Goods	3.08	11.66
Purchase of Goods	71.65	57.40
Security Deposit	61.12	Nil
Other Advances	12.73	Nil
Capital Work in Progress	8.62	Nil
Fedders Infotech (India) Pvt. Ltd. (Formerly Lloyd Infotech (India) Pvt. Ltd.)		
Services Received	9.38	39.64
Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)		
Money received against Share Warrants	Nil	6.84
Perfect Radiators and Oil Coolers Pvt. Ltd.		
Money received against Share Warrants	Nil	4.56
Rent Paid	1.10	1.10
Security Deposit	Nil	8.08
Capital Work in Progress	61.96	Nil
Pandit Kanahaya Lal Punj Pvt. Ltd.		
Money received against Share Warrants	Nil	10.98
Rent Paid	0.53	0.53
Security Deposit	Nil	5.36
Himalayan Mineral Waters Pvt. Ltd.		
Money received against Share Warrants	Nil	13.26
Security Deposit	Nil	3.06
Capital Work in Progress	120.03	Nil
Fedders Stock & Investment Pvt. Ltd. (Formerly Lloyd Stock & Investment Pvt. Ltd.)		
Money received against Share Warrants	Nil	6.84
Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.)		
Money received against Share Warrants	Nil	4.56
Pandit Kanahaya Lal Punj Trust (PKLP Trust)		
Contribution towards Corporate Social Responsibility	3.13	1.36
Fedders IT Technology Pvt. Ltd. (Formerly Lloyd IT Technology Pvt. Ltd.)		
Capital Work in Progress	59.13	Nil
PSL Engineering Pvt. Ltd.		
Purchase of Goods	0.44	Nil
Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd)		
Security Deposits	Nil	3.95
Capital Work in Progress	16.00	Nil
Subsidiary Companies		
LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.)		
Purchase of Goods	1.79	1.15
Interest paid on Loan taken	Nil	0.17
Loan Given during the year	Nil	Nil
Interest Receivables on Loan given	0.51	0.53

Janka Engineering s.r.o.		
Purchase of Goods	Nil	0.16
Noske-Kaeser Rail & Vehicle Germany GmbH (under insolvency)		
Loan Given	8.44	1.04
Interest Receivables on Loan given	Nil	0.28
Other Advances	1.29	Nil
Impairment in the value of investment	(3.75)	Nil
Allowance for doubtful loans	(12.54)	Nil
Allowance for advance	(1.29)	Nil
Noske Kaeser Rail & Vehicles New Zealand Limited		
Purchase of Goods		
Key Management Personnel	0.33	0.92
Managerial Remuneration Paid		
- Late Mr. Brij Raj Punj (till 5th Dec 2017)	0.58	0.78
- Mr. Bharat Raj Punj	0.69	0.63
- Mr. Achin Kumar Roy	2.74	1.66
- Mr. Mukat B. Sharma	0.54	0.49
- Mr. Nipun Singhal (resigned w.e.f. 8th May 2017)	0.77	1.05

C. Balance as at year end are as under:

(₹ in Crores)

Name of Related Party	2017-18	2016-17
	Amount	Amount
Fedders Electric & Engineering Ltd. (Formerly Fedders Lloyd Corporation Ltd.)		
Security Deposit	87.54 Dr	26.43 Dr
Other Advances	12.73 Dr	Nil
Perfect Radiators and Oil Coolers Pvt. Ltd.		
Security Deposit	Nil	8.08 Dr
Pandit Kanahaya Lal Punj Pvt. Ltd.		
Security Deposit	Nil	5.36 Dr
Himalayan Mineral Waters Pvt. Ltd.		
Security Deposit	Nil	3.06 Dr
Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd)		
Security Deposit	Nil	3.95
Remuneration of:		
- Late Mr. Brij Raj Punj (till 5th Dec 2017)	0.07 Cr	0.06 Cr
- Mr. Bharat Raj Punj	0.06 Cr	0.05 Cr
- Mr. Achin Kumar Roy	0.23 Cr	0.14 Cr
- Mr. Mukat B. Sharma	0.05 Cr	0.04 Cr
- Mr. Nipun Singhal (till 8th May 2017)	Nil	0.09 Cr
Noske-Kaeser Rail & Vehicle Germany GmbH (under insolvency)		
Loan	12.54 Dr	4.10 Dr
Other Advances	1.29 Dr	Nil
Allowance for doubtful loans	12.54 Cr	Nil
Allowance for doubtful advance	1.29 Cr	Nil
Noske Kaeser Rail & Vehicles New Zealand Limited		
Trade Payable	0.27 Cr	0.84 Cr

LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.)		
Trade Receivable	0.48 Dr	0.48 Dr
Trade payable	3.89 Cr	2.55 Cr
Loan	7.47 Dr	6.02 Dr
Janka Engineering s.r.o.		
Trade Receivable	0.05 Dr	0.05 Dr
Trade Payable	0.24 Cr	0.24 Cr

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, 2018, the Company has recorded impairment/allowances for doubtful loan and advances 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. Purchase of goods and sale of goods has been reported gross off Value Added tax/Goods and Service Tax

41) Earnings Per Share

Basic & Diluted Earnings per Share: Earnings per share have been computed as under:

a) Earnings per share (for continuing operation including exceptional items)

Particulars	2017-18	2016-17
Net Profit after Tax for the year – (₹ in crores)	515.28	85.48
Basic weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	38,546,452
Basic Earnings Per Share (₹) (Face Value ₹ 10/-per share)	127.76	22.18
Diluted weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	40,332,260
Diluted Earnings Per Share (₹) (Face Value ₹ 10/-per share)	127.76	21.20

b) Earnings per share (for discontinued operation)

Particulars	2017-18	2016-17
Net Profit after Tax for the year – (₹ in crores)	7.84	-
Basic weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	38,546,452
Basic Earnings Per Share (₹) (Face Value ₹ 10/-per share)	1.94	Nil
Diluted weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	40,332,260
Diluted Earnings Per Share (₹) (Face Value ₹ 10/-per share)	1.94	Nil

c) Earnings per share (for discontinued and continuing operation including exceptional items)

Particulars	2017-18	2016-17
Net Profit after Tax for the year – (₹ in crores)	523.12	85.48
Basic weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	38,546,452
Basic Earnings Per Share (₹) (Face Value ₹ 10/-per share)	129.71	22.18
Diluted weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	40,332,260
Diluted Earnings Per Share (₹) (Face Value ₹ 10/-per share)	129.71	21.20

42) Remuneration to Auditors

(₹ in Crores)

Particulars	2017-18	2016-17
a) To Statutory Auditor:		
For financial audit	0.40	0.15
For limited review	0.04	0.02
For certification	0.01	0.01
For Tax Audit	-	0.03
b) To Cost Auditor for Cost Audit	0.02	0.02
Total	**0.47**	**0.23**

43) Segment Information

A. Primary Segment Reporting (Business Segment)

During the year the Company had following Business segments as its primary reportable segments

a. Consumer Durables (please refer note 48) (till 8th May 2017)
b. OEM & Packaged Air-conditioning
c. Heat Exchangers & Components

Segment Revenues, Results and Other Information:

(₹ in Crores)

Particulars			2017-18	2016-17
I.	**Segment Revenue**			
	i.	Consumer Durables	423.53	1,885.46
	ii.	OEM & Packaged Air-conditioning	964.18	936.01
	iii.	Heat Exchangers & Components	639.91	603.93
Sub:- Total (i+ii+iii)			**2,027.62**	**3,425.40**
Less:- Inter Segment Revenue			73.95	411.58
Net Sales/Income from Operations			**1,953.67**	**3,013.82**
II.	**Segment Results**			
	(PROFIT (+)/LOSS(-))			
	i.	Consumer Durables	19.08	120.94
	ii.	OEM & Packaged Air-conditioning	51.97	59.74
	iii.	Heat Exchangers & Components	25.15	66.09
Sub:- Total (i+ii+iii)			**96.20**	**246.77**
Less:-	i.	Finance Cost	66.55	118.89
	ii.	Other un-allocable expenditure net of un-allocable Income	(16.42)	8.91
	iii.	Exceptional Items	-	-
Operating Profit before tax & Exceptional Item			**46.07**	**118.97**
Exceptional items {profit/loss)}			645.23	-
Profit before Tax			691.30	118.97
Tax Expense			**(169.07)**	**(33.83)**
Profit after Tax			**522.23**	**85.14**
III. Segment Assets*			**-**	**-**
IV. Segment Liabilities*			**-**	**-**

*As certain assets of the Company including manufacturing facilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities segment wise.

B. Information pertaining to Geographical Segment:

Sale of Products

(₹ In Crores)

Particulars	2017-18	2016-17
Within India	1,833.19	2,903.22
Outside India	120.48	110.60
Total	**1,953.67**	**3,013.82**

Property, Plant & Equipment as per Geographical Locations

The Company has common Property, Plant & Equipment , other assets and liabilities for domestic as well as overseas market. Hence, separate figures for assets and liabilities have not been furnished.

44. Employee Benefit Expenses

Disclosure figures of the gratuity liability of the employees, in accordance with Ind AS 19 "Employee Benefits". The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Present Benefit Obligation-As per Actuarial Valuation

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Present Value of obligation as at the beginning of the period	7.08	4.78
Acquisition Adjustment		-
Reduced due to discontinuation of consumer durable business	(3.48)	-
Interest Cost	0.27	0.38
Service Cost	0.57	1.56
Past service Cost including curtailment Gains/Losses	0.42	-
Benefit Paid	(0.12)	(0.31)
Total Actuarial Gain/Loss on Obligation	(0.29)	0.67
Present Value of obligation as at the end of the period	**4.45**	**7.08**

* Opening Balance is reduced by ₹ 3.48 Crore due to discontinuation of consumer durable business.

Fair value of Plan assets

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Fair value of plan assets at the beginning of the period	--	--
Actual return on plan assets	--	--
Employer contribution	--	--
Benefits paid	--	--
Fair value of plan assets at the end of the period	--	--

The Amount recognized in the Income Statement

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Service Cost	0.99	1.56
Interest Cost	0.27	0.38
Expenses recognized in the Income Statement	**1.26**	**1.94**

Net Liability recognized in the Balance Sheet

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Present Value of obligation at end	(4.45)	(7.08)
Fair Value of Plan Assets	-	-
Unfunded Liability /Provision in Balance Sheet	**(4.45)**	**(7.08)**

Re-measurement (gain)/ loss recognized in other comprehensive income

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	0.29	(0.68)
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	**0.29**	**(0.68)**

Principal assumptions used in determining defined benefit obligation (₹ In Crores)

Particulars	31.03.2018	31.03.2017
i) Discounting Rate	7.71	7.50
ii) Future salary Increase	8.00	8.00
iii) Retirement Age (Years)	60	60
iv) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
v) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Sensitivity Analysis of the defined benefit obligation. (₹ In Crores)

Particulars	31.03.2017
a) Impact of the change in discount rate	
Present Value of Obligation at the end of the period	4.45
Impact due to increase of 0.50%	(0.25)
Impact due to decrease of 0.50 %	0.27
b) Impact of the change in salary increase	
Present Value of Obligation at the end of the period	4.45
a) Impact due to increase of 0.50%	0.27
b) Impact due to decrease of 0.50 %	(0.25)

Previous Year figures are not comparable as previous figure includes Consumer Durable Business transferred during the year.

45. Capital Management

For the purposes of Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

The Company reviews the capital structure of the Company on a semi-annual basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Debt	474.48	1,105.45
Less: Cash and bank balances	(19.15)	(89.64)
Net debt	455.33	1,015.81
Total equity	1,305.62	921.35
Equity and net debt	1,760.95	1,937.16
Gearing ratio (Net Debt/Capital and Net Debt)	**25.86%**	**52.44%**

46. Financial Instruments

a) Financial instruments by category

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Measured at amortized cost		
a) Cash and cash equivalent including other bank balance	20.15	90.57
b) Loan	11.38	15.03
c) Other financial assets	87.88	47.11
d) Trade receivable	658.79	693.60
Fair value through profit and loss		
Forward contracts	0.35	-
Fair value through Other Compressive Income		
Investment in equity Instrument	2.89	2.25
Investment in Subsidiary at cost as per Ind AS27		
Investment in Mutual fund	0.13	0.13
Investment in Subsidiaries (Net of impairment)	103.28	106.07
Total	**884.85**	**954.77**
Financial liabilities		
Measured at amortized cost		
a) Non current borrowing	-	50.95
b) Short term borrowing	473.73	1,025.08
b) Trade payable	352.20	133.02
c) Other financial liability	9.34	125.67
Sub total	**835.27**	**1,334.72**
Fair value through profit and loss		
Forward contracts	-	1.55
Total	**835.27**	**1,269.59**

b) Fair value measurement of financial assets and financial liabilities

(₹ In Crores)

Particulars	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2018	As at March 31, 2017		
Financial Assets				
Security deposit	1.78	2.80	Level 2	Discounted cash flow at a discount rate that reflects the company's current borrowings rate at the end of reporting period.
Investment in equity	2.59	1.95	Level 1	Based on quoted market price in active markets
Forwards Contracts	0.35	-	Level 1	Based on quoted price for similar assets and liabilities in active markets
Financial Liabilities				
Borrowing	0.75	80.38	Level 2	Discounted estimated cash flow through the expected life of the borrowings
Forwards contracts	-	1.55	Level 1	Based on quoted price for similar assets and liabilities in active markets

c) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

(₹ In Crores)

Particulars	Carrying value	
	As at March 31, 2018	As at March 31, 2017
i) Financial assets - Current		
Trade receivables	658.79	693.60
Cash and Bank balances	20.15	90.57
Loans	9.59	8.13
Other Financial assets (including forward contract)	87.90	46.90
ii) Financial liabilities - Current		
Trade payables	352.20	133.02
Other Financial liabilities (including forward contract)	9.34	125.67

47. 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 to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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 risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

i) Currency rate 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). The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Nominal amount of derivative contracts entered into by the Company and outstanding as on March 31, 2018 is ₹ 86.96 Crores (Previous year ₹ 72.37 Crores). Category wise breakup is given below):

(₹ In Crores)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1.	Forward Contract	86.96	72.37
2.	Currency Swap	NIL	NIL
3.	Interest Rate Swap	NIL	NIL
4.	Option	NIL	NIL

ii) 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, 2018 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic air conditioners and therefore require a continuous supply of copper and Aluminum being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper and aluminum, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price of for each month.

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 maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Customer credit risk is managed 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.

Trade receivables may be analyzed as follows:

(₹ In Crores)

Age of Receivables	As at March 31, 2018	As at March 31, 2017
Due less than 6 months	587.85	687.11
Due more than 6 months	74.25	8.20
Sub Total	**662.10**	**695.31**
Less: Allowance for expected Credit Loss on Trade Receivable	(3.31)	(1.71)
Total	**658.79**	**693.60**

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix.

(₹ In Crores)

Movement in the expected credit loss allowance	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	1.71	1.44
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.60	0.27
Balance at end of the year	**3.31**	**1.71**

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. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management 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.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

(₹ In Crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2018					
Borrowings (including current maturities of long term debt)	-	0.75	-	0.75	0.75
Short term borrowings	-	473.73	-	473.73	473.73
Trade payable	-	352.20	-	352.20	352.20
Other financial liabilities (excluding current maturities of long term debt)	-	8.59	-	8.59	8.59
Total	**-**	**835.26**	**-**	**835.26**	**835.26**

(₹ In Crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2017					
Borrowings (including current maturities of long term debt)	11.29%	29.43	50.95	80.38	80.38
Short term borrowings	-	1,025.08	-	1,025.08	1,025.08
Trade payables	-	133.02	-	133.02	133.02
Other financial liabilities (excluding current maturities of long term debt)	-	96.24	-	96.24	96.24
Total	**-**	**1,283.77**	**50.95**	**1,334.72**	**1,334.72**

48. Exceptional Item and Discontinued operation

a. Exceptional Item

1. In May 2018, Noske Kaeser Rail and Vehicle Germany Gmbh, a wholly owned subsidiary has filed insolvency. The Company does not expect any further recovery of loan, investment and other advances and has fully provided for the value of Investments, Loans and advances given and other advances as per detail given below:

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Impairment in the value of investment	3.75	-
Allowance for doubtful loans	12.54	-
Allowance for doubtful other advances	1.29	-
Total	**17.58**	**-**

2. The Company has sold its Consumer Durables Business comprising of business of importing, trading, marketing, exporting, distribution, sale of air conditioners, televisions, washing machines and other household appliances and assembling of televisions under the brand "LLOYD" and all of the rights, title, interest and assets, licenses, intellectual property including the brand, logo, trade mark "LLOYD" as a going concern on slump sale basis to Havells India Limited. The said transaction was concluded on May 08, 2017 for a consideration of ₹ 1,550 Crores subject to the closing adjustments.

Post the transaction, the Company's OEM business would however continue to supply room air conditioners to the Havells India Limited as a third party supplier. Further, the sale of the Consumer Durables Business does not have any impact on the Company's existing B2B air conditioning business.

Pursuant to aforesaid sale, the Company has also changed its name from 'Lloyd Electric & Engineering Ltd.' to 'LEEL Electricals Ltd.' with the approval of Central Government dated May 23, 2017. The gain on sale of consumer durable business in respect of the activity attributable to above discontinuing operation included in the financial statement under the Exceptional item is as follows:

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Gain on sale of consumer durable business	662.80	-
Tax Expense	(152.95)	-
Gain on sale of consumer durable business after tax	**509.85**	**-**

Thus, summary of Net Exceptional Item is as follows:

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Diminution in value of investment in subsidiary company	(17.58)	-
Gain on sale of consumer durable business	662.80	-
Total	**645.23**	**-**
Tax Expense	(152.95)	-
Gain on sale of consumer durable business after tax	492.28	-

3. The Company sold its Consumer Durable Business as a going concern basis for an enterprise value of ₹ 1550.00 crores on cash free debt free basis which was inclusive of pre-determined net working capital. Of this, a total of ₹ 1458.00 crores of the consideration have been received and balance, as per terms of business transfer agreement (BTA) was to be released upon finalization of the closing financials as at 8th May'17, i.e. date of the transfer of business, after appropriate adjustments. Since the business sold was as ongoing concern basis, few of the final adjustment/reconciliation has been pending finalization with the buyer and considering the impact thereof, the Company, has arrived at the gain arising from the deal as per prudent accounting norms. Accordingly, the gain has been computed considering the impact of assets and liabilities transferred in terms of BTA, unserviceable left over inventory and unrealizable receivables of the discontinued business, deal associated cost/expenses, impact of financial obligations pertaining to 10 years of prior operations arising under E-waste Management Rules, which has been made mandatory with retrospective effect, post the BTA finalization. The total impact of all the above factors comes to ₹ 887 Crores, resulting in Profit of ₹ 662.80 Crores arising from the sale of Consumer Durable Business to Havells India Ltd., as stated in table appended above.

The revenue and expenses in respect of the activity attributable to above discontinuing operation included in the financial statement are as follows.

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Profit & loss from discontinuing operation		
Revenue	423.53	-
Expenses	(412.33)	-
Profit before tax	11.20	
Income tax expenses	(3.36)	-
Profit from discontinuing operation	**7.84**	**-**

49. Dividend Paid and Proposed

Dividend paid during the year:

(₹ In Crores)

Particulars	March 31, 2018	March 31, 2017
Special Dividend (one time Dividend)	80.67	-
Corporate Dividend Tax on Special dividend	16.42	-
Final Dividend paid	6.05	4.71
Corporate Dividend Tax on Final Dividend	1.23	0.96
Total	**104.37**	**5.67**

Proposed Dividends on equity shares:

(₹ In Crores)

Particulars	March 31, 2018	March 31, 2017
Special dividend (One time dividend)	-	80.67
Corporate Dividend Tax on Special dividend	-	16.42
Final Dividend for the year ended March 31, 2017	-	6.05
Corporate Dividend Tax on proposed dividend	-	1.23
Total	**-**	**104.37**

50. Income Tax

a) Income Tax Expense in the Statement of Profit and Loss comprises

(₹ In Crores)

Particulars	March 31, 2018	March 31, 2017
Current Income Tax Charge on :	**162.06**	**36.20**
Continued Operation	5.75	36.20
Discontinued Operation	3.36	-
Exceptional Item	152.95	-
Mat Credit Adjustment	-	-
Earlier year tax adjustment	5.31	-
Deferred Tax	**-**	**-**
Relating to origination and reversal of temporary differences	1.70	(2.37)
Income tax Expense reported in the statement of profit & loss	**169.07**	**33.83**
Other Comprehensive Income		
Re-measurement (gains)/losses on defined benefit plan	(0.14)	0.23
Income tax related to items recognized in OCI during the year	**(0.14)**	**0.23**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting Operating Profit before tax	46.07	118.97
Other Exceptional Profit	645.23	-
Applicable Normal tax rate	34.608%	34.608%
Applicable Special tax rate	23.072%	0.0%
Computed tax Expense	164.88	41.17
Income not considered for tax purpose	(12.55)	(18.90)
Expense not allowed for tax purpose	16.73	11.56
Income tax charged to Statement of Profit and Loss	**169.07**	**33.83**

b) Deferred Tax

(₹ In Crores)

Particulars	31-Mar-17	Recognized in Profit and loss	Recognized in Other Equity	Recognized in other comprehensive income	31-Mar-18
Deferred tax (liabilities)/assets in relation to:					
Due to Depreciation	(1.99)	(1.52)	(34.49)	-	(38.00)
Gratuity & Other Provision	0.86	(0.16)	-	(0.13)	0.57
Allowance for doubtful debts	0.59	0.55	-	-	1.14
Financial assets and liabilities	0.37	(0.58)	-	-	(0.21)
Financial liability- provision for e-waste*	-	(17.74)	-		(17.74)
Land Revaluation	(0.12)	-	-	-	(0.12)
Others	(0.36)	-	-	-	(0.36)
Total	**(0.65)**	**(19.45)**	**(34.49)**	**(0.13)**	**(54.72)**

* Recognized in Profit and Loss Account under the head Exceptional Items.

(₹ In Crores)

Particulars	31-Mar-16	Recognized in Profit or loss	Recognized in other comprehensive income	31-Mar-17
Deferred tax (liabilities)/assets in relation to:				
Due to Depreciation	(2.99)	1.00	-	(1.99)
Gratuity & Other Provision	-	0.63	0.23	0.86
Allowance for doubtful debts	0.50	0.09	-	0.59
Financial assets and liabilities	(0.28)	0.65	-	0.37
Land Revaluation	(0.12)	-	-	(0.12)
Others	(0.36)	-	-	(0.36)
Total	**(3.25)**	**2.37**	**0.23**	**(0.65)**

51. Corporate Social Responsibility

As per the provisions of Section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of ₹ 3.13 crores (March 31, 2017: ₹ 1.36 crores) towards this cause and debited the same to the Statement of Profit And Loss. The funds are primary allocated to Pandit Kanahaya Lal Punj Trust (PKLP Trust), a registered trust, acting as an implementing agency of the Company, towards various activities of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

(₹ In Crores)

Details of CSR Expenditure:	As at March 31, 2018	As at March 31, 2017
a) Gross amount required to be spent by the Company during the year	2.32	2.07

b) Amount spent during year ended March 31, 2018

	Amount spent		Yet to be spent		Total	
	2018	2017	2018	2017	2018	2017
Contribution to PKLP trust (a registered trust)	3.13	1.36	-	0.71	3.13	2.07

52. Information pursuant to G.S.R. 308(E) dated 30th March 2017 issued by Ministry of Corporate Affairs

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

Particulars	SBNs*	Other denomination notes**	Total
Closing cash in hand as on 8 November, 2016	0.29	0.24	0.53
(+)Permitted receipts	-	0.26	0.26
(-)Permitted payments	-	0.26	0.26
(-)Amount deposited in Banks	0.29	0.00	0.29
Closing cash in hand as on 30 December, 2016	-	0.24	0.24

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 340(E), dated the 8th November, 2016.

** rounded off

53. All leases are cancellable, thus there are nil future minimum rentals payable under non-cancellable operating leases.

54. The comparative figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year numbers.

55. Notes '1' to '54' form an integral part of accounts and are duly authorized.

As per our Report of even date attached
For **Goel Garg and Co.**
Chartered Accountants
Firm Registration No. 000397N

For and on behalf of the Board

Ashok Kumar Agarwal
Partner
Membership No. 084600

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LEEL ELECTRICALS LIMITED

Report on the Consolidated Indian Accounting Standards (IND AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of LEEL Electricals Limited (hereinafter referred to as the "Holding Company" or "Parent Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows for the year then ended and the consolidated statement for changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial statements and unaudited consolidated financial statements/information as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March 2018, and their consolidated Profit (financial performance including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements/financial information of three subsidiaries, whose financial statements/financial information reflect total assets of ₹ 272.41 crores and net assets of ₹ 98.27 crores as at March 31, 2018, total revenues of ₹ 342.87 crores and net cash inflow amounting to ₹ 1.67 crores for the year ended on that date, as considered in the consolidated financial statements, whose financial statements/information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

All of these subsidiaries are located outside India whose financial statements/ financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting policy generally accepted in India. We have audit these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

9. We did not audit the consolidated financial statements/ financial information of one wholly owned foreign subsidiary and financial statements/ financial information of one wholly owned foreign subsidiary that reflect total assets of ₹ 28.23 crores and net asset of ₹ (2.69) crores as at March 31, 2018, and total revenues of ₹ 51.87 crores and net cash outflow amounting to ₹ 2.44 crores for the year ended on that date, as considered in the consolidated financial statements. These unaudited consolidated financial statements/ financial statements / financial information have been furnished to us by the management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited consolidated financial statements/ financial statements/ information. In our opinion and according to the information and explanations given to us by the Management, these consolidated financial statements/ financial statements/ information are not material to the Group.

10. Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the other matters covered in para 8 and 9, with respect to our reliance on the work done and the reports of the other auditors and the consolidated financial statements/ financial statements/ information certified by the Management.

Report on Other Legal and Regulatory Requirements

11. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    b. In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on 31st March, 2018 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act. None of the subsidiaries of the Holding Company is incorporated in India, as such provisions of section 164(2) of the Companies Act 2013 are not applicable on these subsidiaries.

    f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

    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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group. Refer Note 36 to the consolidated Ind AS financial statements;

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

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2018, as applicable; and

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For **Goel Garg & Co.**
Chartered Accountants
Firm's Registration Number 000397N

Ashok Kumar Agarwal
Partner
Membership Number 084600

Place of Signature: New Delhi
Date: May 30, 2018

Annexure A to the Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of LEEL Electricals Limited on the consolidated Ind AS financial statements as of and for the year ended March 31, 2018.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of **LEEL ELECTRICALS LIMITED** (hereinafter referred to as "the Holding Company"). Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to its subsidiaries, being all incorporated outside India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal financial controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject

to the risk that the internal financial control with reference to financial statements 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 Holding Company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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 **Goel Garg & Co.**
Chartered Accountants
Firm's Registration Number 000397N

Ashok Kumar Agarwal
Partner
Membership Number 084600

Place of Signature: New Delhi
Date: May 30, 2018

Consolidate Balance Sheet

AS AT 31ST MARCH 2018

(₹ In Crores)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non Current assets			
Property, Plant and Equipment	3	431.60	400.30
Capital Work in Progress	4	317.19	10.37
Other Intangible Assets	5	10.70	6.13
Financial Assets			
(i) Investments	6	3.26	2.38
(ii) Loans	7	2.11	2.80
(iii) Other Financial Assets	8	0.32	0.21
		765.18	422.19
Current Assets			
Inventories	9	811.31	1,048.62
Financial Assets			
(i) Trade Receivables	10	737.90	759.85
(ii) Cash and Cash Equivalents	11	25.51	94.04
(iii) Bank Balance other than (ii) above	12	4.94	3.66
(iv) Loans	13	2.12	2.11
(v) Other Financial assets	14	87.90	46.91
Other Current Assets	15	53.16	71.73
Current Tax assets (Net)	-	-	13.97
		1,722.84	2,040.89
TOTAL ASSETS		**2,488.02**	**2,463.08**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	40.34	40.34
Other Equity	17	1,275.39	860.08
		1,315.73	900.42
Non Current Liabilities			
Financial Liabilities			
Borrowings	18	0.21	51.00
Long term Provisions	19	78.29	6.94
Deffered Tax Liabilities (Net)	20	61.53	4.63
		140.03	62.57
Current Liabilities			
Financial Liabilities			
(i) Borrowings	21	548.08	1,080.64
(ii) Trade Payables	22	415.18	185.51
(iii) Other Financial Liabilities	23	26.56	129.18
Other Current Liabilities	24	22.16	59.49
Short Term Provisions	25	5.31	11.30
Current Tax Liabilities (Net)		14.97	33.97
		1,032.26	1,500.09
TOTAL EQUITY AND LIABILITIES		**2,488.02**	**2,463.08**

Accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date attached
For **Goel Garg and Co.**
Chartered Accountants
Firm Registration No. 000397N

For and on behalf of the Board

Ashok Kumar Agarwal
Partner
Membership No. 084600

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Crores)

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	26	2,342.36	3,373.25
Other income	27	40.43	2.53
Total Income		**2,382.79**	**3,375.78**
Expenses			
Cost of materials consumed	28	1,349.85	2,406.12
Purchases of Stock-in-Trade	29	47.76	270.13
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	30	502.72	(57.16)
Excise duty on Sale of goods		11.77	45.12
Employee benefits expense	31	175.49	178.77
Finance costs	32	68.73	119.95
Depreciation and amortization Expense	33	45.17	48.96
Other expenses	34	160.80	259.61
Total Expenses		**2,362.29**	**3,271.50**
Profit before exceptional items and tax		**20.50**	**104.28**
Exceptional Items	47	657.44	-
Profit before tax:		**677.94**	**104.28**
from continued operation		21.51	104.28
from dis-continued operation		11.20	-
from exceptional items		645.23	-
Profit before tax		**677.94**	**104.28**
Tax expense:			
Current tax on:	49	162.22	36.93
Continued operation		5.91	36.93
Discontinued operation		3.36	-
Exceptional items		152.95	-
Earlier year tax adjustment		5.31	-
Deferred tax		0.38	(2.65)
Total Tax Expense		**167.91**	**34.28**
Net Profit for the year		**510.03**	**70.00**
from continued operation		9.91	70.00
from dis-continued operation		7.84	-
from exceptional items		492.28	-

Contd...

Contd...

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Fair value of Investment (Gain)		0.63	0.79
Acturial gain or losses		0.40	(0.68)
Taxes		(0.14)	0.23
Total Comprehensive Income for the year		**510.92**	**70.34**
Earnings per equity share (Face value ₹ 10 each) (for continuing operations including exceptional items)	41a		
Basic (in ₹)		124.73	18.25
Diluted (in ₹)		124.73	17.44
Earnings per equity share (Face value ₹ 10 each) (for discontinued operations)	41b		
Basic (in ₹)		1.94	-
Diluted (in ₹)		1.94	-
Earnings per equity share (Face value ₹ 10 each) (for discontinued and continuing operations including exceptional items)	41c		
Basic (in ₹)		126.68	18.25
Diluted (in ₹)		126.68	17.44
The accompanying Notes are an integral part of the Financial Statements			

As per our Report of even date attached
For **Goel Garg and Co.**
Chartered Accountants
Firm Registration No. 000397N

For and on behalf of the Board

Ashok Kumar Agarwal
Partner
Membership No. 084600

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Consolidated Statement of Changes in Equity

AS ON 31ST MARCH 2018

A. Equity Share Capital

Particulars	No. of Shares	(₹ in crores)
Balance as at 31st March 2016*	36,205,260	36.21
Changes in Equity Share Capital	4,127,000	4.13
As at March 31, 2017	**40,332,260**	**40.34**
Changes in Equity Share Capital	-	-
As at March 31, 2018	**40,332,260**	**40.34**

* Amount includes ₹ 64,500 towards shares forfeited during previous years.

B. Other Equity

(₹ In Crores)

Particulars	Reserves & Surplus						Other Comprehensive Income				Total Other Equity
	Equity Component of Other Financial Instruments (Share Warrants)	Capital Reserve	Securities Premiume Account	Statutory Reserve	General Reserve	Re-tained Earning	Fair Value of Investment	Re-valuation Reserve (Land Revalued as on 31st March 1993)	Acturial Gain & Losses on retirement benefits	Foreign Currency Tran. Re-serve	
Balance as at 31st March 2016	19.44	11.25	211.64	1.95	217.72	287.30	0.60	0.23	-	(3.22)	746.91
Profit for the Year	-	-	-	-	-	70.00	-	-	-	-	70.00
Transfer Share Warrant into Shares	(19.44)	-	-	-	-	-	-	-	-	-	(19.44)
Premium Amount from Coversion of Warrants	-	-	58.60	-	-	-	-	-	-	-	58.60
Additon in Fair Value of Investment	-	-	-	-	-	-	0.79	-	-	-	0.79
Acturial Gain & Loss	-	-	-	-	-	-	-	-	(0.44)	-	(0.44)
Share Warrant Forfeited	-	3.75	-	-	-	-	-	-	-	-	3.75
Statutory Reserve	-	-	-	(0.15)	-	-	-	-	-	-	(0.15)
Addition FCTR	-	-	-	-	-	-	-	-	-	5.72	5.72
Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	(5.66)	-	-	-	-	(5.66)
Transfer to Reserve	-	-	-	-	30.00	(30.00)	-	-	-	-	-
Balance as at 31st March 2017	-	15.00	270.24	1.80	247.72	321.64	1.39	0.23	(0.44)	2.50	860.08
Profit for the Year	-	-	-	-	-	510.03	-	-	-	-	510.03
Transfer Share Warrant into Shares	-	-	-	-	-	-	-	-	-	-	-
Premium Amount from Coversion of Warrants	-	-	-	-	-	-	-	-	-	-	-
Additon in Fair Value of Investment	-	-	-	-	-	-	0.63	-	-	-	0.63
Acturial Gain & Loss	-	-	-	-	-	-	-	-	0.26	-	0.26
Capital contribution	-	33.40	-	-	-	-	-	-	-	-	33.40
Special Dividend (including Dividend Tax)	-	-	-	-	-	(97.09)	-	-	-	-	(97.09)
Statutory Reserve	-	-	-	(0.26)	-	-	-	-	-	-	(0.26)
Deferred tax (earlier year)	-	-	-	-	-	(37.69)	-	-	-	-	(37.69)
Addition FCTR	-	-	-	-	-	-	-	-	-	13.31	13.31
Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	(7.28)	-	-	-	-	(7.28)
Transfer to Reserve	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2018	-	48.40	270.24	1.54	247.72	689.61	2.02	0.23	(0.18)	15.81	1,275.39

As per our Report of even date attached
For **Goel Garg and Co.**
Chartered Accountants
Firm Registration No. 000397N

For and on behalf of the Board

Ashok Kumar Agarwal
Partner
Membership No. 084600

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Crores)

	Particulars	For the Year ended 31 March 2018	For the Year ended 31 March 2017
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**		
	-from continuing operation including exceptional items	666.73	104.28
	-from discontinued operation	11.20	-
2	**Adjustments for :**		
	Depreciation and amortization Expense	45.17	48.95
	Loss/(gain) on disposal of property, plant and equipments (net)	0.15	0.01
	Acturial gain or losses	0.40	(0.68)
	Life time credit risk on trade receivables	1.60	0.27
	Finance costs	68.73	119.95
	Dividend income	(0.02)	(0.02)
	Deferred tax liability on provision in e-waste	17.75	-
	Unrealized foreign exchange (gain)/loss(net)	7.99	-
	Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	-	0.04
	Interest Income	(9.81)	(0.62)
3	**Operating Profit before Working Capital Changes (1+2)**	**809.89**	**272.18**
4	**Net Change in:**		
	Trade Receivables	20.35	(85.64)
	Inventories	237.33	(109.70)
	Non-current and current other financial assets	(41.12)	0.02
	Non-current and current Security deposit	0.68	0.44
	Other Bank balances	(1.28)	0.75
	Other Non-current and current assets	18.57	(34.99)
	Trade Payable	221.69	7.38
	Other Current financial liabilities	(73.92)	(6.02)
	Other current liabilities	(37.33)	28.59
	Non-current and current provisions	66.31	6.13
	Change in Working Capital	**411.28**	**(193.04)**
5	**Cash Generated from Operating Activities (3+4)**	**1,221.17**	**79.14**
6	**Taxes Paid**	(172.61)	(18.28)
	Exchange Fluctuation	13.31	5.72
7	**Net Cash Flow from Operating Activities (5-6)**	**1,062 .82**	**66.58**
B	**Cash Flow from Investing Activities:**		
	Purchase of Property, plant and equipment	(67.22)	(34.46)
	Purchase of other intangible assets	(8.33)	(1.48)
	Payment of Capital Work in Progress	(317.11)	(3.67)
	Proceeds from disposal of Property, plant & equipment	36.30	1.69
	Proceeds from disposal of other intangible assets	1.51	0.03
	Purchase of Investments	(0.24)	(0.79)
	Loan given	-	-
	Interest received	9.81	0.62
	Dividend received	0.02	0.02
	Net Cash Generated/(Used) in Investing Activities:	**(345.26)**	**(38.04)**

Contd...

Contd...

C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Issue of Share Capital	-	46.89
	(Repayment)/Proceeds from working capital loan	(532.56)	113.95
	Repayment of term loan	(79.06)	(38.92)
	Repayment of vehicle loan	(0.40)	(0.55)
	Interest paid	(68.73)	(119.95)
	Dividends paid (including dividend tax)	(104.37)	(5.66)
	Net Cash Generated/(Used) from Financing Activities:	**(785.12)**	**(4.24)**
D	**Net Change in Cash & cash equivalents (A+B+C)**	**(68.53)**	24.31
E	Net increase/ decrease in Cash and Cash Equivalents (for discontinued and continuing operations including exceptional item)	(68.53)	24.31
	Net increase/ decrease in Cash and Cash Equivalents (for continuing operations including exceptional item)	(76.37)	-
	Net increase/ decrease in Cash and Cash Equivalents (for discontinued operations)	7.84	-
	Opening Balance of Cash and Cash Equivalents	**94.04**	**69.73**
	Closing Balance of Cash and Cash Equivalents	**25.51**	**94.04**

The Amendment Ind AS 7 Cash Flow Statements requires the entities 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, suggesting inclusion of a reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017.

	As at 31 March 17		Cash Flow	Non Cash Changes	As at 31 March 2018
	79.23	-	(79.23)	-	-

As per our Report of even date attached
For **Goel Garg and Co.**
Chartered Accountants
Firm Registration No. 000397N

For and on behalf of the Board

Ashok Kumar Agarwal
Partner
Membership No. 084600

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Notes To Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018

1. Corporate Information

LEEL Electricals Limited (Formerly known as Lloyd Electric & Engineering Limited) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited & BSE Limited in India. The Company is the largest manufacturer of heat exchangers coils in India.

The Consolidated Financial Statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 30, 2018.

The Company alongwith its subsidiaries has been collectively hereinafter referred to as "the Group".

2. Significant Accounting Policies

2.1 Basis of preparation of Consolidated Financial Statements

The Consolidated financial statements of the Company, its subsidiaries, associates and its joint venture have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Act. The consolidated financial statements have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

i) Derivative financial instruments;

ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instrument; and

iii) Assets held for sale-measured at fair value less cost to sell.

Changes in accounting policies and disclosures:

Amendments to Ind AS 7 Statement of Cash Flows - Disclosure Initiative:

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in the statement of Statement of Cash Flow.

2.2 Current / non-current classification

The Group 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.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on nature of service and the between the acquisition of assets or inventories for the processing and their realization in cash and cash equivalents.

2.3 Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.4 Principles of Consolidation

The Consolidated financial statements relate to LEEL Electricals Limited (Formally Known as Lloyd Electric & Engineering Limited) ('the Company') and its subsidiary companies. In the preparation of the consolidated financial statements, investments in subsidiaries, associates and joint ventures are accounted for in accordance with the requirements of Ind AS 110 (Consolidated Financial Statements) and Ind AS 28 (Investments in Associates and Joint Ventures) vide notification dated 16 February 2015 under section 133 of the Companies Act 2013.

Investment in Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date when the Company ceases to control subsidiary.

Changes in the Group's ownership interests in existing subsidiaries

When the Group does not lose control of subsidiary.

i) Changes in the Group's ownership interests in subsidiaries are accounted for as equity transactions.

ii) The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

iii) Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary,

i) Derecognizes the assets and liabilities of the former subsidiary from the consolidated balance sheet.

ii) a gain or loss is recognized in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

iii) All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).

iv) The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.5 The Consolidated Financial Statements of Subsidiaries is prepared on the following basis:

i) Combining like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries.

ii) Eliminating in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

iii) Offsetting (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

iv) Profit or loss and each component of other comprehensive income are attributed to the owners of Company and to the non-controlling interests. Total comprehensive income of subsidiaries attributed to the owners of the Company and to the non-controlling interests even if this results in non-controlling interests having a deficit balance.

v) When necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies into line with the Group's accounting policies.

vi) The Company present's non-controlling interests in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are considered as equity transactions (i.e. transactions with owners in their capacity as owners).

vii) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements, Where it is not practicable to use uniform accounting policies, adjustments are made to the financial statements of subsidiaries to bring accounting policies into line with the Group's accounting policies.

viii) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2018.

Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

(i) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

(ii) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and

(iii) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The group then recognizes any resulting change by adjusting retained earnings (or, if appropriate, another category of equity), unless the change results from the recognition of an intangible asset that was previously subsumed within goodwill.

The Group determines whether a transaction or other event is a business combination by applying the definition in Ind AS 103, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, the group accounts for the transaction or other event as an asset acquisition.

Where the acquisition of an asset or a group of assets does not constitute a business, the group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets and liabilities assumed. The cost of the group is then allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase

Foreign Currencies

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 THE LIST OF SUBSIDIARIES:

Name of the Subsidiary	Nature of Relationship	Country of Incorporation	Extent of holding (%)	
			31 March 2018	31 March 2017
LEEL Coils Europe s.r.o.	Wholly Owned Subsidiary	Czech Republic	100	100
Janka Engineering s.r.o.	Wholly Owned Subsidiary	Czech Republic	100	100
LEEL Services s.r.o.	Wholly Owned Subsidiary	Czech Republic	100	N.A.
Noske Kaeser Rail & Vehicle Germany GmbH	Wholly Owned Subsidiary	Germany	100	100
Noske Kaeser Rail & Vehicles New Zealand Ltd.	Wholly Owned Subsidiary	New Zealand	100	100
Noske-Kaeser Rail & Vehicle Australia Pty Ltd.	Indirect Wholly owned Subsidiary*	Australia	100	100
Noske-Kaeser Empreendimentos e Participaçôes do Brasil Ltda.	Indirect Wholly owned Subsidiary*	Brasil	100	100

*wholly owned subsidiary of Noske Kaeser Rail & Vehicles New Zealand Ltd.

2.7 Property, Plant and Equipment (PPE)

An item of property, plant and equipment that qualifies as an assets is measured on initial recognition at cost.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of PPE comprise 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 input tax credit availed wherever applicable., net of less accumulated depreciation and location for its intended use, including borrowing costs relating to the qualified asset over the period up to the date the assets are put to use is included in cost of relevant assets.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

The carrying amount of a property, plant and equipment is de-recognized when no future economic benefits are expected from its use or on disposal.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected for more than one year are capitalized.

The Company had elected to consider the carrying value of all its property plant & equipment appearing in the financial statement prepared in accordance with accounting standards notified under the section 133 of the Company act 2013, read together with rule 7 of the companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS balance sheet prepared on 1st April, 2015.

The property, plant and equipment acquired under finance leases, if any, is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets.

Gains and losses on de-recognition/disposals are determined as the difference between the net disposal proceeds and the carrying amount of those assets. Gains and Losses if any, are recognized in the statement of profit or loss on de-recognition or disposal as the case may be.

Capital Work-in-Progress

Cost of assets not ready for intended use, on the balance sheet date is shown as capital work in progress.

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows:

Product Development Expenses

Cost of Product Development expenses will be amortized over its useful life of 5 Years.

The Company had elected to consider the carrying value of all its intangible assets appearing in the financial statement prepared in accordance with accounting standards notified under the section 133 of the Company act 2013, read together with rule 7 of the companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS balance sheet prepared on 1st April, 2015.

The amortization period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is derecognized or on disposal.

2.9 Impairment of tangible assets and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount

2.10 Inventories

a) Basis of valuation

Inventories 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.

b) Method of valuation

Raw materials and consumables has been determined by using weighted average cost method and comprises all cost of purchase, freight costs, customs duty (wherever paid) taxes (other than those subsequently recoverable from Tax authorities) and all other cost incurred in beginning the inventory to their present location and condition. The cost is determined using the Weighted Average Method.

Work in progress include direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition.

Finished goods includes direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on moving weighted average basis.

Stock in transit lying in customs warehouse does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

2.11 Foreign Exchange Transactions

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency Transactions in foreign currency are recorded on initial recognition at the spot rate prevailing at the time of the transaction.

At the end of each reporting period:

Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured terms of historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings

The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded in so far as they relate to the acquisition of depreciable capital assets are shown by addition to/deduction from the cost of the assets as per exemption provided under IND AS 21 read along with Ind AS 101 appendix 'D' clause-D13AA.

Exchange differences on monetary items receivable from or payable to a foreign operation which settlement is neither planned nor likely to occur (therefore forming part of the investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2.12 Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to profit & loss account in the period in which it is incurred except loan processing fees which is recognized as per Effective Interest Rate method. Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.13 Employee Benefits

Contribution to Provident fund/Pension fund/Social security and health scheme: Retirement benefits in the form of Provident Fund / Pension Schemes/Social security and health scheme are defined contribution schemes and the contributions are charged to the Profit & Loss Account in the year when the contributions to the respective funds become due. The Company has no obligation other than contribution payable to these funds.

Gratuity liability and leave encashment is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. However, The Company is in process of having arrangement with Insurance co. to administer its Superannuation & Gratuity Fund.

Defined benefit plans: Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income and
- measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Liability for a termination benefit is recognized at the earlier of when the company can no longer withdraw the offer of the termination benefit and when the company recognizes any related restructuring costs.

Short-term and other long-term employee benefits: A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date

The cost of the defined benefit gratuity plan and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation 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.

The most sensitive is discount rate. The management has considers the interest rates of government bonds. Future salary increases and gratuity increases are based on expected future inflation rates.

2.14 Tax Expenses

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

Current Tax: Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in equity)

Deferred Tax: Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which 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 are recognized for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

2.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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. When acquired, such assets are capitalized at fair value of the leased property or present value of minimum lease payments, at the inception of lease, whichever is lower.

Other leases are Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized over the lease term on the straight line basis.

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in PPE. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

As a lessee

Leases in which significant portions of risks and reward of ownership are not transferred to the company as lessee are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards".

2.16 Fair Value Measurement

The Company measures certain 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 the 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 a 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, maximizing 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 the 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 & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 Financial Instrument

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.

Financial asset is any assets that is

- Cash;
- an equity instrument of another entity;
- a contractual right:
  - (i) to receive cash or another financial asset from another entity; or
  - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets includes non-current investments, loan to employees, security deposits, trade receivables and other eligible current and non-current assets

Financial Liability is any liabilities that is

- a contractual obligation :
  - (i) to deliver cash or another financial asset to another entity; or
  - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

- a contract that will or may be settled in the entity's own equity instruments and is:

  (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

  (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities includes Loans, trade payable and eligible current and non-current liabilities

i) Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met, the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

ii) Initial recognition and measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

iii) Financial assets subsequent measurement

Financial assets as subsequent measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortized cost or fair value through profit or loss

iv) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future

cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial a classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

v) Trade Receivables

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortized cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the company and all that the company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

vi) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value other than investment in subsidiary, Associates and Joint venture. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis

vii) Cash and cash Equivalents

Cash and cash equivalent 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 an insignificant risk of changes in value.

viii) Impairment of Financial Assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ix) Financial liabilities

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

x) Trade payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

xi) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes

payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

xii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, net of direct issue costs.

xiii) De-recognition of financial instrument

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

xiv) Offsetting of financial instruments

Financial 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

xiv) Derivative Financial Instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss.

2.18 Provision and Contingent Liability

i. 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.

ii. Contingent liabilities, if material, are disclosed by way of notes unless the possibility of an outflow of resources embodying the economic benefit is remote and contingent assets, if any, is disclosed in the notes to financial statements.

iii. A provision is recognized, when company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

2.19 Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Revenue

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. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trade discounts, rebates and other similar allowances. Revenue includes excise duty however excludes GST, sales tax, value added tax, works contract and any other indirect taxes or amounts collected on behalf of the Government.

Revenue is recognized only when the significant risk and reward of the ownership is transferred to the buyer usually on delivery of the goods. Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company, revenue can be reliably measured and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Further, sales include revision in prices received from customers with retrospective effect. Similarly, price revision for material purchased has also been included in purchases. Further adjustments, if any, are made in the year of final settlement.

Interest Income is recognized using the effective interest rate method

Dividend income is recognized when the Company's right to receive payment is established.

Export sales are accounted on the basis of date of bill of lading.

Payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

2.21 Segment Reporting

i. Business Segment

As per Ind AS 108, the Company has reportable segments viz. Consumer Durable Business till 08th May 2017, OEM & packaged Air-conditioning and Heat Exchanger & Components Products during the year under review. Accordingly the reporting is done segment wise.

ii. Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows;

- Sales within India represent sales made to customers located within India.
- Sales outside India represent sales made to customers located outside India

2.22 Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

2.23 Research and development

Expenditure on research is recognized as an expenses when it is incurred. Expenditure on development with does not meet the criteria for recognition as an intangible assets recognized as an expenses when it is incurred.

2.24 Event after reporting date

Where events occurring after balance sheet date provide evidence of condition that existed at the end of the reporting period, the impact of such event is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.25 Recent accounting pronouncements

Standards issued but not yet effective

In March 2018, the ministry of corporate affairs (MCA) issued the Companies (Indian accounting standards) Amendments rules 2018, notifying Ind AS 115, "Revenue from contract with customers", Appendix B to Ind AS 21, Foreign currency transaction and advance consideration made by international accounting standards board (IASB). These amendments are applicable to the Company from 1st April 2018. The Company will be adopting the amendments from their effective date.

a) Ind AS 115, Revenue from contract with customers.

Ind AS 115 supersedes Ind AS 11, construction contract and Ind AS 18, Revenue. Ind AS 115 require an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customer. The principal of Ind As 115 is that an entity recognise revenue that demonstrate the transfer of promised goods and services to customer at an amount that reflect the consideration to which the entity expect to be entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contacts at the date of initial application of standards.

Based on preliminary assessment performed by the Company, the impact of application of the standards is not expected to be material.

b) Appendix B to Ind AS 21, foreign currency transaction and advance consideration.

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the assets, expenses or income (or part of it) is the date on which an entity initially recognises the non-monetary assets or non-monetary liability arising from the payment or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance in consideration. The impact of the appendix on the financial statements, as assessed by the Company, is expected to be not material.

NOTE 3: PROPERTY, PLANT & EQUIPMENT

The Changes in the carrying value of property, plant and equipment for the year ended 31 March 2018 were as follows:

(₹ In Crores)

Particulars	Leasehold Land	Temporary Construc-tions	Buildings	Plant & Machinery	Office Equip-ments	Vehicles	Furni-ture & Fixtures	Other Assets	Adjust-ment to Assets*	Total
Gross Carrying Value as at 1st April 2017	15.20	1.93	102.04	556.03	10.83	8.21	5.71	2.11	48.41	750.47
Additions	16.55	-	52.36	27.56	1.07	0.13	0.72	0.49	-	98.88
Deletions	-	0.14	43.71	0.97	4.38	0.46	2.37	-	-	52.03
Exchange difference on consolidation	4.11	(1.67)	5.09	19.25	(1.41)	0.31	0.58	(2.09)	14.97	39.14
Gross Carrying Value as at 31st March 2018	**35.86**	**0.12**	**115.78**	**601.87**	**6.11**	**8.19**	**4.64**	**0.51**	**63.38**	**836.46**
Accumulated Depreciation as at 1st April 2017	-	0.11	22.76	280.90	8.50	5.15	1.65	0.20	30.90	350.17
Depreciation for the year	-	-	3.02	34.37	0.69	0.45	0.56	-	3.83	42.92
Adjustment	-	-	13.09	0.44	1.32	0.10	0.64	-	-	15.59
Exchange difference on consolidation	-	-	2.75	19.54	(1.96)	0.29	0.46	(0.20)	6.48	27.36
Accumulated Depreciation as at 31st March 2018	-	0.11	15.44	334.37	5.91	5.79	2.03	-	41.21	404.86
Net Carrying Value as at 31st March 2018	**35.86**	**0.01**	**100.34**	**267.50**	**0.20**	**2.40**	**2.61**	**0.51**	**22.17**	**431.60**
Net Carrying Value as at 31st March 2017	**15.20**	**1.82**	**79.28**	**275.13**	**2.33**	**3.05**	**4.06**	**1.92**	**17.51**	**400.30**

Borrowing cost capitalised during the period amount Rs. 27,188,736 (Previous year Rs NIL) Refer Note No. 32

The Changes in the carrying value of property, plant and equipment for the year ended 31 March 2017 were as follows:

(₹ In Crores)

Particulars	Leasehold Land	Temporary Construc-tions	Buildings	Plant & Machinery	Office Equip-ments	Vehicles	Furni-ture & Fixtures	Other Assets	Adjust-ment to Assets*	Total
Gross Carrying Value as at 1st April 2016	15.20	2.12	101.38	526.95	10.00	8.31	4.02	3.10	48.41	719.49
Additions	-	-	0.66	30.80	1.09	0.12	1.78	-	-	34.45
Deletions	-	0.19	-	1.72	0.26	0.22	0.09	0.99	-	3.47
Gross Carrying Value as at 31st March 2017	**15.20**	**1.93**	**102.04**	**556.03**	**10.83**	**8.21**	**5.71**	**2.11**	**48.41**	**750.47**
Accumulated Depreciation as of 1st April 2016	-	0.11	19.83	246.82	7.61	4.60	1.16	0.20	27.33	307.66
Depreciation for the year	-	-	2.93	35.36	1.14	0.77	0.51	-	3.57	44.28
Adjustment	-	-	-	1.28	0.25	0.22	0.02	-	-	1.77
Accumulated Depreciation as of 31st March 2017	-	0.11	22.76	280.90	8.50	5.15	1.65	0.20	30.90	350.17
Net Carrying Value as on 31st March 2017	**15.20**	**1.82**	**79.28**	**275.13**	**2.33**	**3.05**	**4.06**	**1.92**	**17.51**	**400.30**

*As per audited financial statement of LEEL Coils Europe s.r.o (Formerly Lloyd Coils Europe s.r.o)

NOTE 4: CAPITAL WORK IN PROGRESS

(₹ In Crores)

Particulars	As at 31 March 2017	Exchange difference on consolidation	Additions	Assets captalised during the year	As at 31 March 2018
Capital work in progress	10.37	1.28	315.83	10.29	317.19
Total	**10.37**	**1.28**	**315.83**	**10.29**	**317.19**

NOTE 5: INTANGIBLE ASSETS

The Changes in the carrying value of Intangible Assets for the year ended 31 March 2018 were as follows:

(₹ In Crores)

Particulars	Computer Software	Logo of Brand "LLOYD"	Intangible generated Internally - Product Development Expenses	Total
Gross Carrying Value as at 1st April 2017	14.48	13.87	0.74	29.09
Additions	7.66	-	2.85	10.51
Deletions	10.73	13.87	-	24.60
Exchange difference on consolidation	3.24	-	-	3.24
Gross Carrying Value as at 31st March 2018	**14.65**	**-**	**3.59**	**18.24**
Accumulated Depreciation as at 1st April 2017	9.63	13.18	0.15	22.96
Depreciation for the year	2.10	-	0.15	2.25
Adjustment	9.91	13.18	-	23.09
Exchange difference on consolidation	5.42	-	-	5.42
Accumulated Depreciation as at 31st March 2018	7.24	-	0.30	7.54
Net Carrying Value as at 31st March 2018	**7.41**	**-**	**3.29**	**10.70**
Net Carrying Value as at 31st March 2017	**4.85**	**0.69**	**0.59**	**6.13**

The Changes in the carrying value of Intangible Assets for the year ended 31 March 2017 were as follows:

(₹ In Crores)

Particulars	Computer Software	Logo of Brand "LLOYD"	Intangible generated Internally - Product Development Expenses	Total
Gross Carrying Value as on 1st April 2016	13.03	13.87	0.74	27.64
Additions	1.48	-	-	1.48
Deletions	0.03	-	-	0.03
Gross Carrying Value as on 31st March 2017	**14.48**	**13.87**	**0.74**	**29.09**
Accumulated Depreciation as of 1st April 2016	6.73	11.56	-	18.29
Depreciation for the year	2.90	1.62	0.15	4.67
Adjustment	-	-	-	-
Accumulated Depreciation as of 31st March 2017	9.63	13.18	0.15	22.96
Net Carrying Value as on 31st March 2017	**4.85**	**0.69**	**0.59**	**6.13**

NOTES-6 INVESTMENTS

(₹ In Crores)

Particulars	Currency	No of Shares	Face Value	AS AT 31 March 2018	No of Shares	AS AT 31March 2017
Investment measured at fair value through other comprehensive income						
Non-trade, Quoted						
Investments in equity instruments						
Blue Star Ltd	INR	392	2	0.03	392	0.03
Castrol (India) Ltd.	INR	40	5	0.00	20	0.00
Chambal Fertilizers & Chemicals Ltd.	INR	1,000	10	0.02	1,000	0.01
DB International Stock Brokers Ltd	INR	13,000	2	0.01	13,000	0.01
Dot Com. Global Ltd	INR	24,200	10	0.00	24,200	0.00
Shardul Securities Ltd.	INR	25,600	10	0.11	25,600	0.11
ACE Edutrend Ltd	INR	16,900	10	0.00	16,900	0.00
Dion Global Solutions Limited	INR	160	10	0.00	160	0.00

Healthfore Technologies Ltd	INR	80	10	0.00	80	0.00
Glaxosmithkline Pharmaceuticals Ltd	INR	125	10	0.03	125	0.03
HDFC Bank Ltd.	INR	125	2	0.02	125	0.02
Hindustan Unilever Ltd.	INR	1,350	1	0.18	1,350	0.12
JSW Steel Limited	INR	11,240	1	0.32	11,240	0.21
Lumax Industries Limited	INR	4,600	10	1.01	4,600	0.64
Panasonic Energy India Co.Ltd	INR	500	10	0.02	500	0.01
Pan India Corporation Ltd	INR	200	10	0.00	200	0.00
Sterlite Technologies Ltd	INR	525	2	0.02	525	0.01
Sterlite Power Transmission Ltd	INR	105	2	0.00	105	0.00
Subros Limited	INR	150	2	0.00	150	0.00
Tata Chemicals Limited	INR	50	10	0.00	50	0.00
Tata Consultancy Services Limited	INR	832	10	0.24	832	0.20
Visesh Infotecnics Limited	INR	1,100	1	0.00	1,100	0.00
Voltas Limited	INR	500	1	0.03	500	0.02
GHCL Ltd.	INR	15,000	10	0.39	15,000	0.41
Archies Ltd.	INR	50,000	2	0.16	50,000	0.12
				2.59		**1.95**
Non Trade, Unquoted						
Investment in equity instruments						
Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.), Related party	INR	300,000	10	0.30	300,000	0.30
Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd.), Related party	INR	350	10	-	350	-
Carrier Airconditioning & Refrigeration Ltd.	INR	400	10	-	400	-
				0.30		**0.30**
Non Trade, Unquoted						
Investment in Mutual Funds						
SBI Mutual Fund	INR	100,000		**0.13**	**100,000**	**0.13**
Non Trade, Unquoted						
Share of the anti-flood measure	CZK	-		0.24	-	-
Total				**3.26**		**2.38**
Aggregate amount of quoted investments and market value thereof				2.59		1.96
Aggregate amount of unquoted investments				0.67		0.43
Aggregate amount of impairment in vlaue of investments				-		-

NOTE 7: LOANS (AT AMORTISED COST)

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good		
Security Deposits	2.11	2.80
Total	**2.11**	**2.80**

NOTE 8: OTHER FINANCIAL ASSETS

(₹ In Crores)

Other Bank Balance	0.32	0.21
Total	**0.32**	**0.21**

NOTE 9: INVENTORIES (AT LOWER OF COST AND NET RELISABLE VALUE)

(₹ In Crores)

Raw materials	749.94	486.17
Work in Progress	21.02	36.78
Finished Goods	40.35	525.67
Total	**811.31**	**1,048.62**
Inventories include Goods in transit:		
Raw materials	110.60	94.07
Finished Goods	1.71	0.08
	112.31	94.15

NOTE 10: TRADE RECEIVABLES , UNSECURED

(₹ In Crores)

Trade Receivables -Considered Good *	741.21	761.56
Less : Allowance for Expected Credit Loss on Trade Receivable **	3.31	1.71
Total	**737.90**	**759.85**

*Trade receivable are non interest bearing and generally on terms of 30 to 90 days
**Refer note no 46(b)

NOTE 11: CASH AND CASH EQUIVALENTS

(₹ In Crores)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Balance with Banks-Current accounts	25.35	93.77
Cash on hand	0.16	0.27
Total	**25.51**	**94.04**

NOTE 12: OTHERS BANK BALANCES

(₹ In Crores)

Unclaimed dividend accounts	0.85	0.22
Fixed Deposits with maturity more than three months	4.06	2.86
Receipt pledged with Bank for margin money (Including Interest)	0.03	0.58
Total	**4.94**	**3.66**

NOTE 13: LOANS

(₹ In Crores)

Unsecured, considered good		
Security Deposits	2.12	2.11
Total	**2.12**	**2.11**

NOTE 14: OTHER FINANCIAL ASSETS

(₹ In Crores)

Security Deposit to Related party (refer note 40c)	87.54	46.88
Interest accrued on Fixed Deposit with Banks	0.01	0.03
Derivative Assets	0.35	-
Total	**87.90**	**46.91**

NOTE 15: OTHER CURRENT ASSETS

(₹ In Crores)

Prepaid expenses	2.29	25.55
Advances for Capital Goods	9.16	5.89
Balance with Statutory/ Govt. Authorities	23.56	25.46
Advance recoverable in cash and kind or for value to be recovered	5.21	12.52
Other advances to related party-Fedders Electric & Engineering Limited (refer note 40c)	12.73	-
Advances to Employees	0.21	2.31
Total	**53.16**	**71.73**

NOTE 16: EQUITY SHARE CAPITAL

(₹ In Crores)

1. Authorized Capital		
7,00,00,000 Equity Shares of Rs. 10/- each	70.00	70.00
(Previous year 7,00,00,000 Equity Shares of Rs. 10/- each)		
Total Authorized Share Capital	**70.00**	**70.00**
2. Issued & Subscribed Capital		
4,03,45,160 Equity Shares of Rs. 10/- each	40.35	40.35
(Previous Year 4,03,45,160 equity shares of Rs. 10/- each)		
3. Paid up Capital		
4,03,32,260 Equity Shares of Rs. 10/- each fully paid up	40.33	40.33
(Previous Year 4,03,32,260 equity shares of Rs. 10/- each)		
Add:- Equity Shares forfeited	0.01	0.01
(amount originally paid up)		
Total	**40.34**	**40.34**

NOTES:-

1. Out of the above Equity Shares

a) Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts('GDRs') issued during the year 2005-06. As at March 31, 2018, no GDR is pending for conversion as on that date.

b) In the Financial Year 2006-07, the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 equity shares on receipt of payment advice by the shareholders and accordingly 400 Equity Shares had been restored back.

c) During the Financial Year 2013-14, 43,20,000 Equity Shares of Rs. 10/- each were alloted to the shareholders of Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) pursuant to the scheme of arrangement involving demerger and vesting of heat exchanger business of PROC into the Company.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2018		31 March 2017	
	No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)
Equity Shares				
Shares outstanding at the beginning of the year	40,332,260	403,322,600	36,205,260	362,052,600
Shares Issued during the year*	-	-	4,127,000	41,270,000
Shares outstanding at the End of the year	40,332,260	403,322,600	40,332,260	403,322,600

*includes allotment of 17,00,000 equity shares of Rs. 10 each at a premium of Rs. 142 each and 24,27,000 equity shares of Rs. 10 each at a premium of Rs. 142 each alloted to Promoter Group Entities on September 03, 2016 and on September 08, 2016 respectively, upon conversion of equivalent number of warrants issued on preferential basis.

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Contd...

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2018		31 March 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt. Ltd.	3,713,520	9.21	3,713,520	9.21
Fedders Sales Pvt. Ltd. (Formerly Lloyd Sales Pvt. Ltd.)	3,315,005	8.22	3,315,005	8.22
Airserco Pvt. Ltd.	3,304,133	8.20	3,304,133	8.20
Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)	2,253,416	5.59	2,253,416	5.59

As per the records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 17: OTHER EQUITY

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Capital Reserve	15.00	11.25
Add:Share warrant forfeited	-	3.75
Add:Capital contribution during the year	33.40	-
	48.40	**15.00**
Securities Premium Account	270.24	211.64
Add: Premium Amount from conversion of Warrants	-	58.60
	270.24	**270.24**
Statutory Reserve	1.80	1.95
Less: Withdrawl during the year	(0.26)	(0.15)
	1.54	**1.80**
General Reserve		
Opening Balance	247.72	217.72
Add: Transfer from Profit and Loss Account	-	30.00
	247.72	**247.72**
Retained Earnings		
Opening Balance	321.64	287.30
Profit for the year	510.03	70.00
Special Dividend (including Dividend Tax)	(97.09)	-
Deferred tax (earlier year)	(37.69)	-
Dividend Paid (including tax on dividend)	(7.28)	(5.66)
Transfer to General Reserve	-	(30.00)
	689.61	**321.64**
Other Comprehensive Income:		
Remeasurement of Retirement Benefit		
Opening Balance	(0.44)	-
Addition During the Year	0.26	(0.44)
	(0.18)	**(0.44)**
Revaluation Reserve net of tax	0.23	0.23
(Land Revalued as on 31st March 1993)		
Fair Value of Investment		
Opening Balance	1.39	0.60
Addition during the year	0.63	0.79
Transfer retained earning on sale	**2.02**	**1.39**
Foreign Currency Translation Reserve		
Opening Balance	2.50	(3.22)
Addition during the year	13.31	5.72
	15.81	**2.50**
	707.49	**325.32**
Total	**1,275.39**	**860.08**

NOTE 18: BORROWINGS

(₹ In Crores)

(Refer note no 35a)		
Secured		
Term Loans(Indian Currency)		
From banks	-	50.95
Term Loans (Foreign Currency)		
From banks	0.21	0.05
Total	**0.21**	**51.00**

NOTE 19: LONG TERM PROVISIONS

(₹ In Crores)

Provision for Employee Benefit		
Gratuity (Refer note no 52)	4.14	6.82
Leave Encashment	1.13	0.12
Provision for e-waste*	73.02	-
Total	**78.29**	**6.94**

*A provision is recognised for probable e-waste liability based on "Extended Producer Responsibility" as furnished by the Company to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as 'Exception item" in the statement of profit and loss.

NOTE 20: DEFERRED TAX LIABILITIES (NET)

(₹ In Crores)

(Refer Note No 49 (b))		
Deferred tax liabilities	63.24	6.45
Deferred tax assets	(1.71)	(1.82)
Total	**61.53**	**4.63**

NOTE 21: BORROWINGS

(₹ In Crores)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
(Refer note no 35b)		
Secured		
Working Capital from Banks	548.08	1,080.64
Total	**548.08**	**1,080.64**

NOTE 22: TRADE PAYABLES

(₹ In Crores)

Total outstanding dues of Micro Enterprises and small Enterprises (refer note no 38)	4.81	2.76
Total outstanding dues of creditors other than Micro Enterprises and small Enterprises	410.37	182.75
Total	**415.18**	**185.51**

NOTE 23: OTHER FINANCIAL LIABILITIES

(₹ In Crores)

Current maturities of long-term debt		
Term Loans (Refer note no 35a)	-	28.28
Loan Against Vehicles (Refer note no 35c)	0.75	1.15
Interest accrued but not due on Borrowings	1.24	0.45
Unclaimed Dividend	0.85	0.31
Expenses Payable*	23.72	29.17
Other Liabilities	-	68.27
Derivative Liabilities	-	1.55
	26.56	**129.18**
*Expenses payable includes balances with related parties as follows:		
Remunereation payable to KMP	0.40	0.39

NOTE 24: OTHER CURRENT LIABILITIES

(₹ In Crores)

Due to Statutory Bodies	10.98	57.98
Advance from customer	11.18	1.51
Total	**22.16**	**59.49**

NOTE 25: SHORT TERM PROVISIONS

(₹ In Crores)

Provision for Employee Benefit		
Gratuity (refer note no 52)	0.31	0.26
Leave Encashment	0.07	1.18
Other Provision	4.32	4.68
Provision for Warranty*	0.61	5.18
Total	**5.31**	**11.30**

* A provision is recognised for expected warranty claims and after sales services on products sold during the last one to five 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 one 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 one year warranty period for all products sold.

NOTE 26: REVENUE FROM OPERATION

(₹ In Crores)

Particulars	For the Year Ended 31 March 2018	For the Year Ended 31 March 2018
Sale of Products*	2,315.63	3,358.25
Other Operating Revenues	26.73	15.00
Total	**2,342.36**	**3,373.25**

*Sales for the period 01st July 2017 to 31st March 2018 is net of Goods and Service Tax (GST). However, sales for the previous year and for the period 01st April 2017 to 30th June 2018 is gross of excise duty.

NOTE 27: OTHER INCOME

(₹ In Crores)

Interest Income		
-from fixed deposit	9.54	0.12
- from others	0.27	0.50
-from financial Assets at amortisation cost	0.15	0.15
Dividend Income from equity instrument measured at FVTOCI	0.02	0.02
Gain on Sale on Property, Plant and Equipment	0.05	0.07
Foreign Exchange Fluctuations (net)	28.86	-
Other non operatiing income (net of expenses)	1.54	1.67
Total	**40.43**	**2.53**

NOTE 28: COST OF MATERIAL CONSUMED

(₹ In Crores)

Raw Material		
Opening stock	392.10	375.22
Purchases during the year	1,567.51	2,379.99
Carriage Inwards	29.59	43.01
	1,989.20	2,798.22
Less: Closing stock	639.35	392.10
Total	**1,349.85**	**2,406.12**

NOTE 29: PURCHASE OF STOCK IN TRADE

(₹ In Crores)

Other consumer goods	47.76	270.13
Total	**47.76**	**270.13**

NOTE 30: CHANGE IN INVENTORY

(₹ In Crores)

Opening stock		
Work-in-progress	36.78	33.55
Finished goods	525.59	471.66
	562.37	505.21
Closing stock		
Work-in-progress	21.02	36.78
Finished goods	38.63	525.59
	59.65	562.37
Total	**502.72**	**(57.16)**

NOTE 31: EMPLOYEE BENEFIT EXPENSE

(₹ In Crores)

Salaries and wages including bonus	143.72	152.51
Contribution to Provident and other funds	2.80	4.00
Social Security and Health Insurance Expenses	22.32	18.15
Staff Welfare expenses	6.65	4.11
Total	**175.49**	**178.77**

NOTE 32: FINANCE COST

(₹ In Crores)

Particulars	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2018**
Interest on:		
Bank Loan	56.76	100.04
Other borrowing cost - Bank Charges	14.69	19.91
	71.45	119.95
Less: Borrowing cost capitalised during the year	(2.72)	-
Total	**68.73**	**119.95**

NOTE 33: DEPRECIATION AND AMORTIZATION EXPENSE

(₹ In Crores)

Depreciation on Property, Plant and Equipment	42.92	44.29
Amortization of Intangible Assets	2.25	4.67
Total	**45.17**	**48.96**

NOTE 34: OTHER EXPENSES

(₹ In Crores)

	For the Year Ended 31 March 2018	For the Year Ended 31 March 2018
Advertising expenses	24.33	86.68
Auditor's remuneration (Refer Note No 42)	1.23	0.78
Bad debts	10.67	0.01
Business promotion	10.78	12.86
Contribution towards corporate social responsibility (CSR) (Refer Note No 50)	3.13	1.36
Factory overheads	7.40	29.10
Fair value loss on financial assets	-	0.04
Foreign exchange fluctuations (net)	-	2.45
Insurance	4.47	4.30
Legal and professional	11.03	11.46
Life time credit risk on trade receivables	1.60	0.27
Loss on sale of fixed assets	0.20	0.08
Miscellaneous expenses	9.41	6.40
Motor car expenses	1.42	1.06
Octroi and carriage outwards	23.43	30.45
Postage and telephone expenses	2.39	5.64
Power and fuel	13.30	10.02
Printing and stationery	0.87	1.01
Rents, rates and taxes (Refer Note No 53)	12.12	18.74
Repairs and maintenance		
Machinery	6.81	5.81
Building and office	0.90	1.31
Service contract charges/ installations/ warranty	8.90	17.87
Travelling and conveyance	6.41	11.91
Total	**160.80**	**259.61**

Consolidated Notes to Accounts

35) Borrowings

a) Term Loan

1. Indian rupee loan of ₹ 35.00 Crores from IDBI Bank Ltd. carries interest @ 12.25% p.a. on ₹ 17.50 Crores and @ 11.50% p.a. on ₹ 17.50 Crores. The Loan is repayable in 16 quarterly installment of ₹ 2.19 crores each after monotorium of 12 Months from the date of loan i.e. 31st March, 2013. The Company has taken disbursement of ₹ 31.50 Crores.

2. Indian rupee loan for ₹ 120.00 Crores from State Bank of India carries interest @ 11.00% p.a. The Loan is repayable in 24 quarterly installment of ₹ 5.00 crores each after monotorium of 12 Months from the date of loan i.e. 30.06.2013.

3. Indian rupees loan for ₹ 20.00 Crores from State Bank of India (Formerly State Bank of Bikaner & Jaipur) carries interest @ 12% p.a. The Loan is repayable in 16 Quarterly installment of ₹ 1.25 Crores each after monotorium of 9 Months from the date of Loan i.e. 01.09.2015.

4. The above loans were secured by way of first charge on Pari-Passu basis on the Property, Plant and Equipments of the Company and second hypothecation charge on the Stock/Book Debts.

5. The loan has been fully repaid during the current period.

b) Working Capital Loan from Banks

Working capital loans from banks carry an average interest rate of 10.50% to 11.50% (31st March, 2017 : 10.50% to 11.50%).

The working capital loans, fund based as well as non-fund based are secured by way of first hypothecation charge on the stocks/ book debts, both present and future and second charge on pari-passu basis on the Property, Plant and Equipments of the Company. This includes working capital loan in the form of Cash Credit Limit, Working Capital Demand Loan, Bill Discounted and Buyer's Credit etc.

c) Loan against Vehicle

1. Indian rupee loan for ₹ 4.4 Lacs from HDFC Bank Ltd. carries interest @ 9.78% p.a. The Loan is repayable in 36 equated monthly installments of ₹ 14,125 starting from 05.09.2016.

2. Indian rupee loan for ₹ 6.44 Lacs from HDFC Bank Ltd. carries interest @ 8.62% p.a. The Loan is repayable in 36 monthly installment of ₹ 20,329 starting from 07.08.2017.

3. Indian rupee loan for ₹ 7.15 Lacs from HDFC Bank Ltd. carries interest @ 9.53% p.a. The Loan is repayable in 48 monthly installment of ₹ 17,930 starting from 15.07.2016.

4. Indian rupee loan for ₹ 1.125 Crores from HDFC Bank Ltd. carries interest @ 9.48% p.a. The Loan is repayable in 60 monthly installment of ₹ 234,925 starting from 07.10.2015.

5. The above loans are secured by way of hypothecation of Company's Vehicle.

36) Contingent Liabilities not provided for

(₹ In Crores)

Particulars	As at 31 March 2018	As at 31 March 2017
A. Claims against the company / disputed liabilities not acknowledged as debts		
a. HP State Electricity Board	0.11	0.11
b. Central Excise & Customs Matters*	49.13	3.31
c. Income Tax Matters (Pending Rectifications)	1.25	2.95
d. With a Vendor	0.79	0.79
B. Guarantees		
i) Bank Guarantees	11.95	24.56
ii) Unconditional and irrevocable Corporate Guarantee of AUD 6 Million in favour M/s Bombardier Transportation (v/Line) Australia Pty Ltd. ("Bombardier"). This guarantee is issued as a security for the performance of the agreement executed by Noske Kaeser Rail & Vehicles New Zealand Limited (WOS) with the Bombardier for the manufacture and supply of equipment's by the WOS.	30.02	29.72
iii) Unconditional and irrevocable Performance Guarantee of NZD 3.8 million in favour of M/s Downer EDI Rail Pty Limited ("Downer). This guarantee is issued as a security for the performance of the agreement executed by Noske Kaeser Rail & Vehicles New Zealand Limited (WOS) with the Downer for the supply of air conditioner equipment and services by the WOS.	17.93	17.25
iv) Unconditional and irrevocable Performance Guarantee of AUD 2.9 Million in favour of EDI Rail-Bombardier Transportation Maintenance Pty Ltd. ("EDIBT") for the performance of the contract executed by Noske Kaeser Rail & Vehicles New Zealand Limited (WOS) with the EDIBT in the ordinary course of business.	14.51	Nil

* During the financial year 2015-16 the Company has received total demand of ₹ 46.23 crores under show cause notices from custom department. Demand has been confirmed by the Commissioner of Custom, Maharashtra vide order dated 20th April 2017. The Company has filed an appeal before CESTAT Mumbai against above said order.

37) Contracts remaining to be executed

On capital account and not provided for	NIL	NIL

38) Micro and Small Scale Business Entities

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount, not there was necessity to pay interest for delayed payment in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006. Outstanding amount for the financial year 2017-18, ₹ 4.81 crores and for the year 2016-17, ₹ 2.76 Crores.

(₹ In Crores)

Particulars	31 March 2018	31 March 2017
Principal amount unpaid to suppliers under MSMED Act, 2006	4.81	2.76
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	0.08	0.08
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payments already made	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-

39) Disclosure as per regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

a) Loan given to Subsidiary and outstanding (₹ in crores)

Name of the Company	Relationship	Amount Outstanding as on 31.03.2018	Amount Outstanding as on 31.03.2017
LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.) Czech Republic	Wholly owned subsidiary	7.47	6.02
Noske-Kaeser Rail & Vehicles, Germany GmbH	Wholly owned subsidiary	12.54	4.10
Less: Allowances for doubtful loan		(12.54)	-

40) Related Party Disclosures: (in which some Directors are interested)

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule, 2015 (as amended from time to time) and other relevant provision of the Act)) are disclosed below:-

A. Names of related parties and related Party relationships

i. Wholly Owned Subsidiaries
   a. LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.) Czech Republic
   b. Janka Engineering s.r.o. Czech Republic
   c. LEEL Services s.r.o. Czech Republic
   d. Noske Kaeser Rail & Vehicle Germany GmbH (Under insolvency)
   e. Noske Kaeser US Rail & Vehicle LLC;
   f. Noske Kaeser Rail & Vehicles New Zealand Limited ("NK NZ");
   g. Noske-Kaeser Rail & Vehicle Australia Pty Ltd (Indirect Wholly owned subsidiary through NK NZ)
   h. Noske-Kaeser Empreendimentos e Participaçôes do Brasil Ltd. (Indirect Wholly owned subsidiary through NK NZ)

ii. List of Key management personnel as defined under Accounting Standard (Ind AS) 24, 'Related party disclosures' :
   a. Late Mr. Brij Raj Punj — Chairman & Managing Director (till 5th Dec 2017)
   b. Mr. Bharat Raj Punj — Managing Director w.e.f 30th May 2018 (Deputy Managing Director till 29th May 2018)
   c. Mr. Achin Kumar Roy — Whole Time Director
   d. Mr. Mukat B. Sharma — Whole Time Director & Chief Financial Officer
   e. Mr. Nipun Singhal — Whole Time Director (Resigned w.e.f. 8th May, 2017)

iii. Enterprises owned or significantly influenced by key management personnel or their relatives;
   a. Fedders Electric & Engineering Ltd. (Formerly Fedders Lloyd Corporation Ltd.)
   b. Fedders Lloyd Trading FZE
   c. Airserco Pvt. Ltd.
   d. Perfect Radiators & Oil Coolers Pvt. Ltd.
   e. PSL Engineering Pvt. Ltd.
   f. Regal Information Technology Pvt. Ltd.
   g. Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd.)
   h. Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.)
   i. Fedders IT Technology Pvt. Ltd. (Formerly Lloyd IT Technology Pvt. Ltd.)
   j. Fedders Sales Pvt. Ltd. (Formerly Lloyd Sales Pvt. Ltd.)
   k. Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)
   l. Fedders Infotech (India) Pvt. Ltd. (Formerly Lloyd Infotech (India) Pvt. Ltd.)
   m. Fedders Stock & Investments Pvt. Ltd. (Formerly Lloyd Stock & Investments Pvt. Ltd.)
   n. Himalayan Mineral Waters Pvt. Ltd.
   o. Punj Engineering Pvt. Ltd.
   p. Punj Services Pvt. Ltd.
   q. Pandit Kanahaya Lal Punj Pvt. Ltd.
   r. PSL Wolfe JV Pvt. Ltd.
   s. Pandit Kanahaya Lal Punj Trust
   t. Brij Raj Punj(HUF)

B. Transactions during the period with Related Parties are as under:

(₹ in Crores)

Name of Related Party	2017-18	2016-17
	Amount	Amount
Fedders Electric & Engineering Ltd. (Formerly Fedders Lloyd Corporation Ltd.)		
Sales of Goods	3.08	11.66
Purchase of Goods	71.65	57.40
Security Deposit	61.12	Nil
Other Advances	12.73	Nil
Capital Work in Progress	8.62	Nil
Fedders Infotech (India) Pvt. Ltd. (Formerly Lloyd Infotech (India) Pvt. Ltd.)		
Services Received	9.38	39.64
Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)		
Money received against Share Warrants	Nil	6.84
Perfect Radiators and Oil Coolers Pvt. Ltd.		
Money received against Share Warrants	Nil	4.56
Rent Paid	1.10	1.10
Security Deposit	Nil	8.08
Capital Work in Progress	61.96	Nil
Pandit Kanahaya Lal Punj Pvt. Ltd.		
Money received against Share Warrants	Nil	10.98
Rent Paid	0.53	0.53
Security Deposit	Nil	5.36
Himalayan Mineral Waters Pvt. Ltd.		
Money received against Share Warrants	Nil	13.26
Security Deposit	Nil	3.06
Capital Work in Progress	120.03	Nil
Fedders Stock & Investment Pvt. Ltd. (Formerly Lloyd Stock & Investment Pvt. Ltd.)		
Money received against Share Warrants	Nil	6.84
Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.)		
Money received against Share Warrants	Nil	4.56
Pandit Kanahaya Lal Punj Trust (PKLP Trust)		
Contribution towards Corporate Social Responsibility	3.13	1.36
Fedders IT Technology Pvt. Ltd. (Formerly Lloyd IT Technology Pvt. Ltd.)		
Capital Work in Progress	59.13	Nil
PSL Engineering Pvt. Ltd.		
Purchase of Goods	0.44	Nil
Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd)		
Security Deposits	Nil	3.95
Capital Work in Progress	16.00	Nil
Key Management Personnel	0.33	0.92
Managerial Remuneration Paid		
-Late Mr. Brij Raj Punj (till 5th Dec 2017)	0.58	0.78
-Mr. Bharat Raj Punj	0.69	0.63
-Mr. Achin Kumar Roy	2.74	1.66
-Mr. Mukat B. Sharma	0.54	0.49
-Mr. Nipun Singhal (resigned w.e.f. 8th May 2017)	0.77	1.05

C. Balance as at year end are as under:

(₹ in Crores)

Name of Related Party	2017-18	2016-17
Fedders Electric & Engineering Ltd. (Formerly Fedders Lloyd Corporation Ltd.)		
Security Deposit	87.54 Dr	26.43 Dr
Other Advances	12.73 Dr	Nil
Perfect Radiators and Oil Coolers Pvt. Ltd.		
Security Deposit	Nil	8.08 Dr
Pandit Kanahaya Lal Punj Pvt. Ltd.		
Security Deposit	Nil	5.36 Dr
Himalayan Mineral Waters Pvt. Ltd.		
Security Deposit	Nil	3.06 Dr
Fedders Aircool Pvt. Ltd. (Formerly Lloyd Aircon Pvt. Ltd)		
Security Deposit	Nil	3.95
Remuneration of:		
-Late Mr. Brij Raj Punj (till 5th Dec 2017)	0.07 Cr	0.06 Cr
-Mr. Bharat Raj Punj	0.06 Cr	0.05 Cr
-Mr. Achin Kumar Roy	0.23 Cr	0.14 Cr
-Mr. Mukat B. Sharma	0.05 Cr	0.04 Cr
-Mr. Nipun Singhal (till 8th May 2017)	Nil	0.09 Cr

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, 2018, the Company has recorded impairment/allowances for doubtful loan and advances 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. Purchase of goods and sale of goods has been reported gross off Value Added tax/Goods and Service Tax

41) Earnings Per Share

Basic & Diluted Earnings per Share: Earnings per share have been computed as under:

a) Earnings per share (for continuing operation including exceptional items)

Particulars	2017-18	2016-17
Net Profit after Tax for the year – (₹ in crores)	503.08	70.34
Basic weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	38,546,452
Basic Earnings Per Share (₹) (Face Value ₹ 10/-per share)	124.73	18.25
Diluted weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	40,332,260
Diluted Earnings Per Share (₹) (Face Value ₹ 10/-per share)	124.73	17.44

b) Earnings per share (for discontinued operation)

Particulars	2017-18	2016-17
Net Profit after Tax for the year – (₹ in crores)	7.84	-
Basic weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	38,546,452
Basic Earnings Per Share (₹) (Face Value ₹ 10/-per share)	1.94	Nil
Diluted weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	40,332,260
Diluted Earnings Per Share (₹) (Face Value ₹ 10/-per share)	1.94	Nil

c) Earnings per share (for discontinued and continuing operation including exceptional items)

Particulars	2017-18	2016-17
Net Profit after Tax for the year – (₹ in crores)	510.92	70.34
Basic weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	38,546,452
Basic Earnings Per Share (₹) (Face Value ₹ 10/-per share)	126.68	18.25
Diluted weighted average number of Equity Shares Outstanding – (Nos.)	40,332,260	40,332,260
Diluted Earnings Per Share (₹) (Face Value ₹ 10/-per share)	126.68	17.44

42) Remuneration to Auditors

(₹ in Crores)

Particulars	2017-18	2016-17
a) To Statutory Auditor:		
For financial audit	1.16	0.70
For limited review	0.04	0.02
For certification	0.01	0.01
For Tax Audit	-	0.03
b) To Cost Auditor for Cost Audit	0.02	0.02
Total	**1.23**	**0.78**

43) Segment Information

A. Primary Segment Reporting (Business Segment)

During the year the Company had following Business segments as its primary reportable segments

a. Consumer Durables (please refer note 47) (till 8th May 2017)

b. OEM & Packaged Air-conditioning

c. Heat Exchangers & Components

Segment Revenues, Results and Other Information:

(₹ in Crores)

Particulars			2017-18	2016-17
I.	**Segment Revenue**			
	i.	Consumer Durables	423.53	1,885.46
	ii.	OEM & Packaged Air-conditioning	1,095.90	1,074.47
	iii.	Heat Exchangers & Components	884.89	821.56
Sub:- Total (i+ii+iii)			**2,404.32**	**3,781.49**
Less:- Inter Segment Revenue			88.70	423.25
Net Sales/Income from Operations			**2,315.62**	**3,358.24**
II.	**Segment Results**			
	(PROFIT (+)/LOSS(-))			
	i.	Consumer Durables	19.08	120.94
	ii.	OEM & Packaged Air-conditioning	36.23	49.40
	iii.	Heat Exchangers & Components	17.49	62.80
Sub:- Total (i+ii+iii)			**72.80**	**233.14**
Less:-	i.	Finance Cost	68.73	119.95
	ii.	Other un-allocable expenditure net of un-allocable Income	(16.43)	8.91
	iii.	Exceptional Items	-	-
Operating Profit before tax & Exceptional Item			**20.50**	**104.28**
Exceptional items {profit/loss)}			657.44	-
Profit before Tax			677.94	104.28
Tax Expense			-	-
Profit after Tax			-	-
III. Segment Assets*			-	-
IV. Segment Liabilities*			-	-

*As certain assets of the Company including manufacturing facilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities segment wise.

B. Information pertaining to Geographical Segment:

Sale of Products (₹ In Crores)

Particulars	2017-18	2016-17
Within India	1833.19	2903.22
Outside India	482.43	455.02
Total	**2315.62**	**3358.24**

Property, Plant & Equipment as per Geographical Locations

The Company has common Property, Plant & Equipment , other assets and liabilities for domestic as well as overseas market. Hence, separate figures for assets and liabilities have not been furnished.

44. Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The Company manages its capital to ensure that the company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the company.

The Company reviews the capital structure of the Company on a semi-annual basis. As part of this review, the company considers the cost of capital and the risks associated with each class of capital.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

Present Benefit Obligation-As per Actuarial Valuation (₹ In Crores)

Particulars	31.03.2018	31.03.2017
Debt	549.03	1,161.06
Less: Cash and bank balances	(25.51)	(94.04)
Net debt	523.52	1,067.02
Total equity	1315.72	900.41
Equity and net debt	1,839.24	1,967.43
Gearing ratio (Net Debt/Capital and Net Debt)	**28.46%**	**54.23%**

45. Financial Instruments

a) Financial instruments by category

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Measured at amortized cost		
a) Cash and cash equivalent including other bank balance	30.45	97.70
b) Loan	4.23	4.91
c) Other financial assets	87.87	47.12
d) Trade receivable	737.90	759.85
Fair value through profit and loss		
Forward contracts	0.35	-
Fair value through Other Compressive Income		
Investment in equity Instrument	3.13	2.25
Investment in Subsidiary at cost as per Ind AS27		
Investment in Mutual fund	0.13	0.13
Total	**864.06**	**911.96**

Financial liabilities		
Measured at amortized cost		
a) Noncurrent Borrowing	0.21	51.00
b) Short term borrowing	548.08	1,080.64
c) Trade payable	415.19	185.51
d) Other financial liability (including current maturity of long term debt)	26.57	129.17
Sub total	990.05	1,446.32
Fair value through profit and loss		
Forward contracts	-	1.55
Total	**990.05**	**1,447.87**

b) Fair value measurement of financial assets and financial liabilities

(₹ In Crores)

Particulars	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2018	As at March 31, 2017		
Financial Assets				
Security deposit	2.10	2.80	Level 2	Discounted cash flow at a discount rate that reflects the company's current borrowings rate at the end of reporting period.
Investment in equity	2.59	1.95	Level 1	Based on quoted market price in active markets
Forwards Contracts	0.35	-	Level 1	Based on quoted price for similar assets and liabilities in active markets
Financial Liabilities				
Borrowing	0.75	80.42	Level 2	Discounted estimated cash flow through the expected life of the borrowings
Forwards contracts	-	1.55	Level 1	Based on quoted price for similar assets and liabilities in active markets

c) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

(₹ In Crores)

Particulars	Carrying value	
	As at March 31, 2018	As at March 31, 2017
i) Financial assets - Current		
Trade receivables	737.90	759.85
Cash and Bank balances	30.45	97.70
Loans	2.12	2.11
Other Financial assets (including forward contract)	87.91	46.90
ii) Financial liabilities - Current		
Trade payables	415.18	185.51
Other Financial liabilities (including forward contracts)	26.57	129.17

46. 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 to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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 risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

i) Currency rate 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). The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Nominal amount of derivative contracts entered into by the Company and outstanding as on March 31, 2018 is ₹ 86.96 Crores (Previous year ₹ 72.37 Crores). Category wise breakup is given below):

(₹ In Crores)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1.	Forward Contract	86.96	72.37
2.	Currency Swap	NIL	NIL
3.	Interest Rate Swap	NIL	NIL
4.	Option	NIL	NIL

ii) 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, 2018 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic air conditioners and therefore require a continuous supply of copper and Aluminum being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper and aluminum, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price of for each month.

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 maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Customer credit risk is managed 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.

Trade receivables may be analyzed as follows:

(₹ In Crores)

Age of Receivables	As at March 31, 2018	As at March 31, 2017
Due less than 6 months	666.96	753.36
Due more than 6 months	74.25	8.20
Sub Total	**741.21**	**761.56**
Less: Allowance for expected Credit Loss on Trade Receivable	3.31	1.71
Total	**737.90**	**759.85**

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix.

(₹ In Crores)

Movement in the expected credit loss allowance	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	1.71	1.44
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.60	0.27
Balance at end of the year	**3.31**	**1.71**

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. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management 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.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

(₹ In Crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2018					
Borrowings	-	0.75	0.21	0.96	0.96
Short term borrowings	-	548.07	-	548.07	548.07
Trade payable	-	415.19	-	415.19	415.19
Other financial liabilities (excluding current maturities of long term debt)	-	25.82	-	25.82	25.82
Total	**-**	**989.83**	**0.21**	**990.04**	**990.04**

Contd...

(₹ In Crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2017					
Borrowings	11.29%	29.43	51.00	80.43	80.43
Short term borrowings		1,080.64	-	1,080.64	1,080.64
Trade payables		185.51	-	185.51	185.51
Other financial liabilities (excluding current maturities of long term debt)		99.74	-	99.74	99.74
Total		**1,395.32**	**51.00**	**1446.32**	**1446.32**

47. Exceptional Item and Discontinued operation

a. Exceptional Item

1. During the year, Noske Kaeser Rail and Vehicle Germany Gmbh, a wholly owned subsidiary has written off Property, Plant and Equipment, Other intangible assets, inventory and Trade receivable amounting to ₹ 5.36 crores (including impairment) through profit and loss under the head exceptional item.

2. The Company has sold its Consumer Durables Business comprising of business of importing, trading, marketing, exporting, distribution, sale of air conditioners, televisions, washing machines and other household appliances and assembling of televisions under the brand "LLOYD" and all of the rights, title, interest and assets, licenses, intellectual property including the brand, logo, trade mark "LLOYD" as a going concern on slump sale basis to Havells India Limited. The said transaction was concluded on May 08, 2017 for a consideration of ₹ 1,550 Crores subject to the closing adjustments.

   Post the transaction, the Company's OEM business would however continue to supply room air conditioners to the Havells India Limited as a third party supplier. Further, the sale of the Consumer Durables Business does not have any impact on the Company's existing B2B air conditioning business.

   Pursuant to aforesaid sale, the Company has also changed its name from 'Lloyd Electric & Engineering Ltd.' to 'LEEL Electricals Ltd.' with the approval of Central Government dated May 23, 2017. The gain on sale of consumer durable business in respect of the activity attributable to above discontinuing operation included in the financial statement under the Exceptional item is as follows:

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Gain on sale of consumer durable business	662.80	-
Tax Expense	(152.95)	-
Gain on sale of consumer durable business after tax	**509.85**	**-**

Thus, summary of Net Exceptional Item is as follows:

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Written off Property, Plant and Equipment, Other intangible assets, inventory and Trade receivable	(5.36)	-
Gain on sale of consumer durable business	662.80	-
Total	**657.44**	**-**
Impairment on Noske Kaeser Rail and Vehicle Germany Gmbh (Net of written off)	(12.21)	
Tax Expense	(152.95)	-
Gain on sale of consumer durable business after tax	**492.28**	**-**

3. The Company sold its Consumer Durable Business as a going concern basis for an enterprise value of ₹ 1,550.00 crores on cash free debt free basis which was inclusive of pre-determined net working capital. Of this, a total of ₹ 1,458.00 crores of the consideration have been received and balance, as per terms of business transfer agreement (BTA) was to be released upon finalization of the closing financials as at 8th May'17 , i.e. date of the transfer of business, after appropriate adjustments. Since the business sold was as ongoing concern basis, few of the final adjustment/reconciliation has been pending finalization with the buyer and considering the impact thereof, the Company, has arrived at the gain arising from the deal as per prudent accounting norms. Accordingly, the gain has been computed considering the impact of assets and liabilities transferred in terms of BTA, unserviceable left over inventory and unrealizable receivables of the discontinued business, deal associated cost/expenses, impact of financial obligations pertaining to 10 years of prior operations arising under E-waste Management Rules, which has been made mandatory with retrospective effect, post the BTA finalization. The total impact of all the above factors comes to ₹ 887 Crores, resulting in Profit of ₹ 662.80 Crores arising from the sale of Consumer Durable Business to Havells India Ltd., as stated in table appended above.

The revenue and expenses in respect of the activity attributable to above discontinuing operation included in the financial statement are as follows:

(₹ In Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Profit & loss from discontinuing operation		
Revenue	423.53	-
Expenses	(412.33)	-
Profit before tax	11.20	
Income tax expenses	(3.36)	-
Profit from discontinuing operation	7.84	-

48. Dividend Paid and Proposed

Dividend paid during the year: (₹ In Crores)

Particulars	31.03.2018	31.03.2017
Special Dividend (one time Dividend)	80.67	-
Corporate Dividend Tax on Special dividend	16.42	-
Final Dividend paid	6.05	4.71
Corporate Dividend Tax on Final Dividend	1.23	0.96
	104.37	**5.67**

Proposed Dividends on equity shares: (₹ In Crores)

Particulars	31.03.2018	31.03.2017
Special dividend (One time dividend)	-	80.67
Corporate Dividend Tax on Special dividend	-	16.42
Final Dividend for the year ended March 31, 2017	-	6.05
Corporate Dividend Tax on proposed dividend	-	1.23
Expenses recognized in the Income Statement	**-**	**104.37**

49. Income Tax

a) Income Tax Expense in the Statement of Profit and Loss comprises (₹ In Crores)

Particulars	March 31, 2018	March 31, 2017
Current Income Tax Charge	**162.22**	**36.93**
Mat Credit Adjustment	-	-
Earlier year tax adjustment	5.31	-
Deferred Tax		
Relating to origination and reversal of temporary differences	0.38	(2.65)
Income tax Expense reported in the statement of profit & loss	**167.91**	**34.28**
Other Comprehensive Income		
Re-measurement (gains)/losses on defined benefit plan	(0.14)	0.23
Income tax related to items recognized in OCI during the year	**(0.14)**	**0.23**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting Operating Profit before tax	46.07	118.97
Other Exception Profit	645.23	-
Applicable Normal tax rate	34.61%	34.61%
Applicable Special tax rate	23.07%	0.00%
Computed tax Expense	164.88	41.17
Income not considered for tax purpose	(12.55)	(18.90)
Expense not allowed for tax purpose	16.73	11.56
Total tax charged to Statement of Profit and Loss	169.06	33.82
Tax charged of Subsidiary	(1.15)	0.46
Total tax charged to Statement of Profit and Loss	**167.91**	**34.28**

b) Deferred Tax (₹ In Crores)

Particulars	31-Mar-17	Recognized in Profit and loss	Recognized in Other Equity	Recognized in other comprehensive income	Subsidiary	31-Mar-18
Deferred tax (liabilities)/assets in relation to:						
Due to Depreciation	(1.99)	(1.52)	(34.49)	-		(38.00)
Gratuity & Other Provision	0.86	(0.16)	-	(0.13)		0.57
Allowance for doubtful debts	0.59	0.55	-	-		1.14
Financial assets and liabilities	0.37	(0.58)	-	-		(0.21)
Financial liability- provision for e waste*	-	(17.74)	-			(17.74)
Land Revaluation	(0.12)	-	-	-		(0.12)
Others	(4.34)	-	-	-	(2.83)	(7.17)
Total	**(4.63)**	**(19.45)**	**(34.49)**	**(0.13)**	**(2.83)**	**(61.53)**

* Recognized in Profit and Loss Account under the head Exceptional Items.

(₹ In Crores)

Particulars	31-Mar-16	Recognized in Profit or loss	Recognized in other comprehensive income	Subsidiary	31-Mar-17
Deferred tax (liabilities)/assets in relation to:					
Due to Depreciation	(2.99)	1.00	-	-	(1.99)
Gratuity & Other Provision	-	0.63	0.23	-	0.86
Allowance for doubtful debts	0.50	0.09	-	-	0.59
Financial assets and liabilities	(0.28)	0.65	-	-	0.37
Land Revaluation	(0.12)	-	-	-	(0.12)
Others	(5.97)	-	-	1.63	(4.34)
Total	**(8.86)**	**2.37**	**0.23**	**1.63**	**(4.63)**

50. Corporate Social Responsibility

As per the provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of ₹ 3.13 crores (March 31, 2017: ₹ 1.36 crores) towards this cause and debited the same to the Statement of Profit And Loss. The funds are primary allocated to Pandit Kanahaya Lal Punj Trust ("PKLP trust"), a registered trust, acting as an implementing agency of the Company, towards various activities of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

(₹ In Crores)

Details of CSR Expenditure:					As at March 31, 2018	As at March 31, 2017
a) Gross amount required to be spent by the Company during the year					2.32	2.07
b) Amount spent during year ended March 31, 2018						
	Amount spent		Yet to be spent		Total	
	2018	2017	2018	2017	2018	2017
Contribution to PKLP trust (a registered trust)	3.13	1.36	-	0.71	3.13	2.07

51. Interest in Other Entities

Subsidiaries (Direct and Indirect):

The Group's subsidiaries as at 31st March, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership Interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business (unless otherwise stated).

Name of the Subsidiary	Place of Business/ Country of Incorporation	Beneficial ownership interest held by the group (%)		Principal Activities
		31.03.2018	31.03.2017	
LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.)	Czech Republic	100	100	Manufacture, installation and repair of refrigerators, air-conditioners and heat exchangers.
Janka Engineering s.r.o.	Czech Republic	100	100	The principal activity of the Company is the production, installation and repairs of heating and ventilation.

LEEL Services s.r.o.	Czech Republic	100	N.A.	Principal activity is the lease of real estate residential and non-residential premises.
Noske Kaeser Rail & Vehicle Germany GmbH.	Germany	100	100	To design, manufacture, installation, maintenance, repair and sale of systems and devices of the HVAC units and the heating, cooling and plumbing equipment for land vehicles as well as all related services and activities.
Noske Kaeser US Rail & Vehicle LLC.	U.S.A	100	100	No operation
Noske Kaeser Rail & Vehicles New Zealand Ltd.	New Zealand	100	100	Principal activities of the Group are the design, manufacture and supply of heating, ventilation and air conditioning equipment.
Noske-Kaeser Rail & Vehicle Australia Pty Ltd.*	Australia	100	100	Principal activities of the Group are the design, manufacture and supply of heating, ventilation and air conditioning equipment
Noske-Kaeser Empreendimentos e Participaçôes do Brasil Ltda.*	Brasil	100	100	Principal activities of the Group are the design, manufacture and supply of heating, ventilation and air conditioning equipment

*wholly owned subsidiary of Noske Kaeser Rail & Vehicles New Zealand Ltd.

52. Employee Benefit Expenses

Disclosure figures of the gratuity liability of the employees, in accordance with Ind AS 19 "Employee Benefits". The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Present Benefit Obligation-As per Actuarial Valuation

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Present Value of obligation as at the beginning of the period	7.08	4.78
Acquisition Adjustment		-
Reduced due to discontinuation of consumer durable business	(3.48)	
Interest Cost	0.27	0.38
Service Cost	0.57	1.56
Past service Cost including curtailment Gains/Losses	0.42	-
Benefit Paid	(0.12)	(0.31)
Total Actuarial Gain/Loss on Obligation	(0.29)	0.67
Present Value of obligation as at the End of the period	**4.45**	**7.08**

* Opening Balance is reduced by ₹ 3.48 Crore due to discontinuation of consumer durable business.

Fair value of Plan assets

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Fair value of plan assets at the beginning of the period	--	--
Actual return on plan assets	--	--
Employer contribution	--	--
Benefits paid	--	--
Fair value of plan assets at the end of the period	--	--

The Amount recognized in the Income Statement

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Service Cost	0.99	1.56
Interest Cost	0.27	0.38
Expenses recognized in the Income Statement	**1.26**	**1.94**

Net Liability recognized in the Balance Sheet

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Present Value of obligation at end	(4.45)	(7.08)
Fair Value of Plan Assets	-	-
Unfunded Liability /Provision in Balance Sheet	**(4.45)**	**(7.08)**

Re-measurement (gain)/ loss recognized in other comprehensive income

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
Net cumulative unrecognized actuarial gain/(loss) opening		-
Actuarial gain / (loss) for the year on PBO	0.29	(0.68)
Actuarial gain /(loss) for the year on Asset		-
Unrecognized actuarial gain/(loss) at the end of the year	**0.29**	**(0.68)**

Principal assumptions used in determining defined benefit obligation

(₹ In Crores)

Particulars	31.03.2018	31.03.2017
i) Discounting Rate	7.71	7.50
ii) Future salary Increase	8.00	8.00
iii) Retirement Age (Years)	60	60
iv) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
v) Ages	**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Sensitivity Analysis of the defined benefit obligation.

(₹ In Crores)

Particulars	31.03.2017
a) Impact of the change in discount rate	
Present Value of Obligation at the end of the period	**4.45**
Impact due to increase of 0.50%	(0.25)
Impact due to decrease of 0.50 %	0.27
b) Impact of the change in salary increase	
Present Value of Obligation at the end of the period	4.45
a) Impact due to increase of 0.50%	0.27
b) Impact due to decrease of 0.50 %	**(0.25)**

Previous Year figures are not comparable as previous figure includes Consumer Durable Business transferred during the year.

53. All leases are cancellable, thus there are nil future minimum rentals payable under non-cancellable operating leases.

54. Additional information, as required under Schedule III to the Companies Act, 2013 pertaining to the Parent Company and Subsidiaries

(₹ In Crores)

Name of the Enterprise.	Net Assets. (Total Assets – Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in total Comprehensive Income (TCI)	
	As a % of Consolidated Net Assets.	Amount	As a % of total Profit or Loss	Amount	As a % of OCI	Amount	As a % of TCI	Amount
1	2	3	4	5	6	7	8	9
Parent:								
LEEL Electricals Limited	100.57	1,323.20	105.84	539.81	100.00	0.89	105.83	540.70
Foreign Subsidiaries								
LEEL Coils Europe s.r.o. (Formerly Lloyd Coils Europe s.r.o.)	4.98	65.53	(1.30)	(6.62)	-	-	(1.30)	(6.62)
Janka Engineering s.r.o.	1.79	23.49	(0.94)	(4.79)	-	-	(0.94)	(4.79)
LEEL Services s.r.o.	0.70	9.23	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Noske Kaeser Rail & Vehicle Germany GmbH	(1.28)	(16.85)	(3.62)	(18.45)	-	-	(3.61)	(18.45)
Noske Kaeser Rail & Vehicles New Zealand Limited#	1.08	14.16	0.02	0.12	-	-	0.02	0.12
Adjustment arising out of consolidation	(7.83)	(103.04)	(0.01)	(0.03)	-	-	(0.01)	(0.03)
Total	**100.00**	**1,315.72**	**100.00**	**510.03**	**100.00**	**0.89**	**100.00**	**510.92**

The financials of Noske Kaeser Rail & Vehicles New Zealand Limited are consolidated financials and includes financials of its two step down subsidiaries viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Empreendimentos e Participaçôes do Brasil Ltda.

55. Information persuant to G.S.R. 308(E) dated 30th March 2017 issued by Ministry of Corporate Affairs

The disclosures regarding details of specified bank notes held and transacted during November 08, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018. Corresponding amounts as appearing in the audited Ind AS financial statements for the period ended March 31, 2017 have been disclosed.

Particulars	SBNs*	Other denomination notes**	Total
Closing cash in hand as on November 08, 2016	0.29	0.24	0.53
(+)Permitted receipts	-	0.26	0.26
(-)Permitted payments	-	0.26	0.26
(-)Amount deposited in Banks	0.29	0.00	0.29
Closing cash in hand as on December 30, 2016	-	0.24	0.24

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 340(E), dated the 8th November, 2016.

** rounded off

56. Figures have been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

57. Notes '1' to '56' form an integral part of accounts and are duly authorized.

As per our Report of even date attached
For **Goel Garg and Co.**
Chartered Accountants
Firm Registration No. 000397N

For and on behalf of the Board

Ashok Kumar Agarwal
Partner
Membership No. 084600

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

Form AOC- 1

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

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

Part "A": Subsidiaries

(₹ In Crore)

Name of the Subsidiary		LEEL Coils Europe s.r.o.	Janka Engineering s.r.o.	LEEL Services s.r.o.	Noske Kaeser Rail & Vehicle Germany GmbH	Noske Kaeser Rail & Vehicles New Zealand Limited
S.No.	**Reporting Period**	**31 March, 2018**	**31 March, 2018**	**31 March, 2018**	**31 March, 2018**	**31 March, 2018**
1	Reporting Currency	CZK	CZK	CZK	EURO	NZD
2	Exchange Rate	3.16	3.16	3.16	80.62	47.17
3	Share Capital	56.93	47.57	0.00	2.90	15.78
4	Reserves and Surplus	8.60	(24.08)	9.24	(19.75)	(1.61)
5	Total Assets	139.05	48.77	84.58	5.05	23.18
6	Total Liabilities	73.52	25.28	75.35	21.90	9.02
7	Investments	-	0.24	-	-	-
8	Turnover	244.98	87.49	2.34	14.70	37.12
9	Profit before taxation	(8.00)	(4.80)	(0.01)	(18.45)	0.35
10	Provision for taxation	(1.39)	-	-	-	0.23
11	Profit after taxation	(6.62)	(4.80)	(0.01)	(18.45)	0.12
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100%	100%	100%	100%	100%

Notes:

1. The financials of Noske Kaeser Rail & Vehicles New Zealand Limited are consolidated financials and includes financials of its two step down subsidiaries viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske Kaeser Empreendimentos e Participaçôes do Brasil Ltda.
2. Noske Kaeser US Rail and Vehicle remained non-operational this year also.
3. LEEL Services s.r.o. become wholly owned subsidiary of the Company w.e.f. November 18, 2017.
4. There is no subsidiary which have been liquidated or sold during the year.
5. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. Hence, Part B is not applicable.

For and on behalf of the Board

Mukat B. Sharma
Whole Time Director & CFO
(DIN:02942036)

Bharat Raj Punj
Managing Director &
Chairman of the Meeting
(DIN:01432035)

Anita K. Sharma
Company Secretary & VP Finance
(FCS 7373)

Surjit Krishan Sharma
Director
(DIN:00058581)

Place: New Delhi
Dated: 30.05.2018

NOTES

Glimpses of inauguration of new school building at Tauru, Haryana.

Engineering Smiles...
Enriching Lives...

LEEL Electricals Limited

(Formerly Lloyd Electric & Engineering Limited)

CIN: L29120UP1987PLC091016
Corp. Off.: 159, Okhla Industrial Estate, Phase-III, New Delhi-110020 (INDIA)
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Website: www.leelelectric.com, E-mail: investor.relation@leelelectric.com