

# **NAGPUR POWER AND INDUSTRIES LIMITED**

CIN L40100MH1996PLC104361

| Regd. Office: 'Nirmal', 20<sup>th</sup> Floor, Nariman Point, Mumbai-400021|

| Tel# +91 22 2202 3055/66 | Fax# +91 22 2204 3162 |

| Email: npil\_investor@khandelwalindia.com | Website: www.nagpurpowerind.com |

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Dated: September 29, 2018

To,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai:-400001.

Dear Sir/Madam,

**Sub: Annual Report for the Financial Year 2017-2018**

**Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**SCRIP CODE: - 532362**

In compliance with Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the Annual Report of the Company for the Financial Year 2017-2018.

Kindly take the same on your records.

Thanking You,  
Yours faithfully,  
For Nagpur Power And Industries Limited

**Nidhi Salampuria**  
Director & Company Secretary  
& Compliance Officer  
Membership No. : A28712



Encl: A/a

**NAGPUR POWER AND INDUSTRIES LIMITED**

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**22<sup>nd</sup> ANNUAL REPORT 2017- 2018**

**BOARD OF DIRECTORS**

Mr. Gautam Khandelwal	Executive Chairman
Mr. Girish Bakre	Independent Director
Mr. Nimis Sheth	Independent Director
Mr. Ajit Parundekar	Non- Executive director
Mr. Virat Mehta	Independent Director
Ms. Nidhi Salampuria	Non- Executive Director

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Ms. Nidhi Salampuria

**CHIEF FINANCIAL OFFICER**

Mr. Santosh Khandelwal

**STATUTORY AUDITORS**

M/s. Parekh Sharma and Associates  
Chartered Accountants, Mumbai

**BANKERS**

State Bank of India

**LISTED AT**

Bombay Stock Exchange Limited  
ISIN : INE099E01016

**REGISTERED OFFICE**

Nirmal, 20th Floor, Nariman Point,  
Mumbai - 400 021.  
Tel No. : 022-22023055/66  
Fax No.: 022-22043162  
Email id: npil\_investor@khandelwalindia.com  
Website : www.nagpurpowerind.com  
CIN L40100MH1996PLC104361

**WORKS**

Khandelwal Nagar, Dist. Nagpur – 441402

**REGISTRAR & SHARE TRANSFER AGENTS**

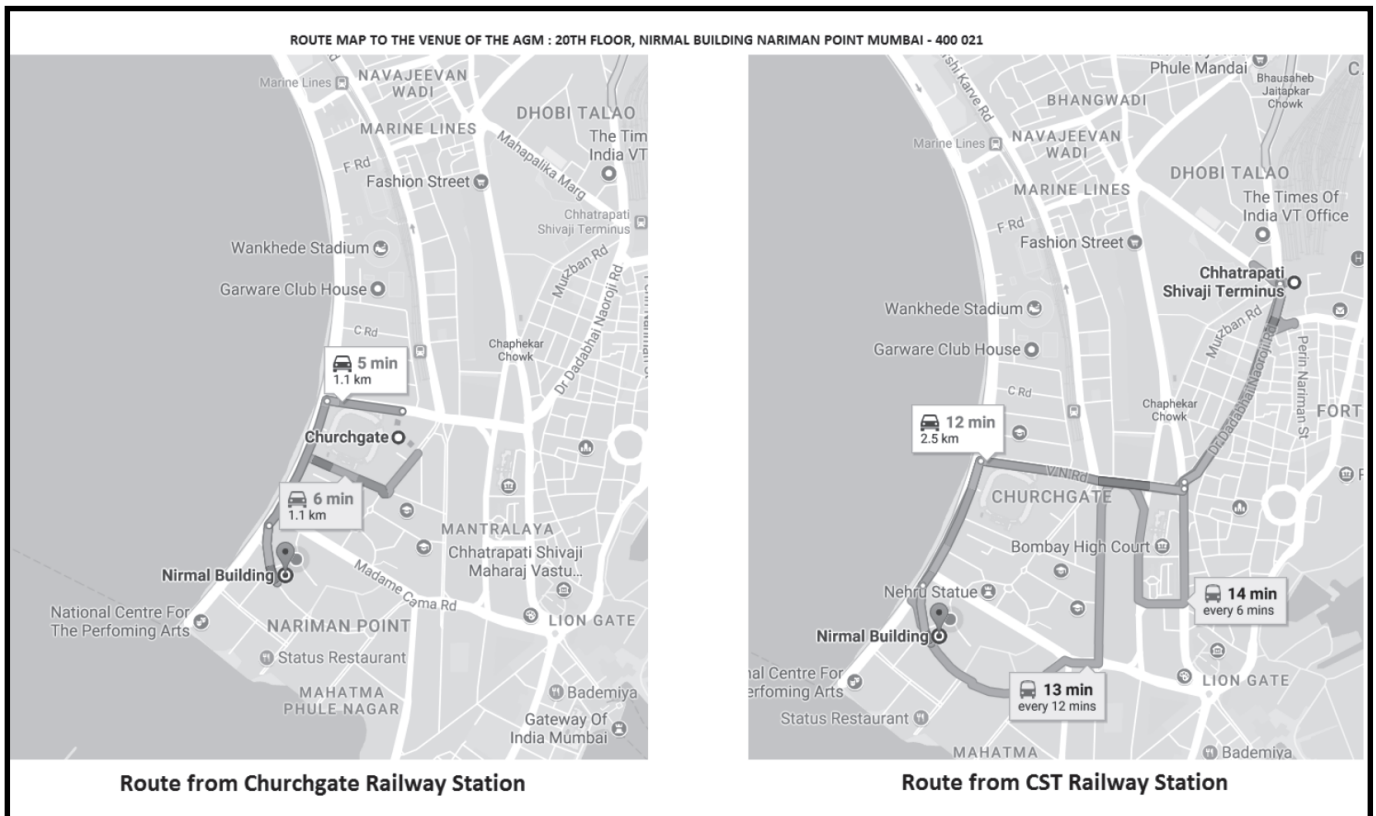
Link Intime India Private Limited  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083  
Tel No: +91 22 49186000 Fax: +91 22 49186060  
Email Id: rnt.helpdesk@linkintime.co.in

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**As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.**

### ROUTE MAP TO THE VENUE OF THE AGM



## NOTICE

**NOTICE** is hereby given that the Twenty Second Annual General Meeting of the Members of **Nagpur Power And Industries Limited** will be held **on Saturday, September 29, 2018 at 12:30 PM** at the Registered Office Address of the Company at **20<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai – 21** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Directors' Report and Auditors Report thereon; and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 together with the Auditors Report thereon.
2. To appoint a Director in place of Ms. Nidhi Salampuria (DIN 07138654), who retires by rotation and, being eligible, offers herself for re-appointment.

By Order of the Board of Directors

Place: Mumbai

Date: August 13, 2018

**Gautam Khandelwal**

Chairman

DIN (00270717)

### Registered Office:

"Nirmal" 20<sup>th</sup> Floor, Nariman Point, Mumbai 400021

CIN: L40100MH1996PLC104361

Website: [www.nagpurpowerind.com](http://www.nagpurpowerind.com)

## NOTES

1. The relevant details of the Directors seeking re-appointment under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto.

M/s. Parekh Sharma and Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 21<sup>st</sup> Annual General Meeting held on September 28, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxies to be effective should be deposited at the Registered Office of the Company **not less than 48 (Forty Eight) hours before the commencement of the meeting.** Members are requested to note that a person can act as

a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form for the AGM is enclosed.

3. Corporate Members/Societies etc. intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution / Authority Letter etc. as applicable, authorizing their representatives to attend and vote at the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Sunday, September 23, 2018 to Saturday, September 29, 2018** (both days inclusive).
5. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchanges for the year 2018-19.
6. **In terms of Section 72 of the Companies Act, 2013, and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, every share holder of the Company may, at any time, nominate, in the prescribed manner, a person to whom his/her shares in the Company shall vest in the event of his/her death. Members, who wish to avail this facility, may fill the prescribed Form No. SH-13 (which will be made available on request) and forward the same to the Registrar and Transfer Agent, M/s. Link Intime India Private Limited.**
7. Members seeking any information as regards the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members/Proxy Holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue of the AGM. Proxy/Authorized Representatives of a member should state on the attendance slip as 'Proxy or Authorized Representative' as the case may be.
9. The Directors' Report, Auditor's Report and Audited Financial Statements (Standalone and Consolidated) as at March 31, 2018 are enclosed.
10. Inspection of Documents - Copies of the Memorandum and Articles of Association of the Company and all other documents relevant for the resolution contained in the notice will be available for inspection at the Registered Office of the Company from 11:00 AM to 1:00 PM on all working days (excluding Saturday) up to the date of the Annual General Meeting.
11. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose email ids are registered with the Company/Depositories, unless any member has requested for a physical copy for the same. For members who have not registered their email ID, physical copies are being sent by the permitted mode.
12. The members are requested to intimate any change in their address with PIN Code, immediately and quote Folio Number in all correspondence. They are also requested to bring their copy of Annual Report while coming to the meeting.
13. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID Numbers for easy identification of attendance at the meeting.
14. **SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8 June, 2018 & BSE circular no. LIST/COMP/15/2018-19 dated 05 July, 2018 stated that requests for effecting transfer of securities (except in case of transmission or transposition of**

securities) shall not be processed after 5th December 2018, unless the securities are held in the dematerialized form with the depositories. The Members of the Company are requested to dematerialize their physical securities. Members can contact the company or M/s. Link Intime India Private Limited for assistance in this regard.

15. The Securities and Exchange Board of India (SEBI) has directed all Listed Companies to record the PAN, Bank account details of all shareholders whose details are not updated. Accordingly Your Company has initiated steps for registering the PAN details (including joint holders if any) and the BANK ACCOUNT details of the registered shareholder whose data are not updated. Thus, the Members of the Company are requested to please update the details, members can contact the Company or M/s. Link Intime India Private Limited for assistance in this regard.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the M/s. Link Intime India Private Limited, Registrar and Share Transfer Agents, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra.
17. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/s. Link Intime India Private Limited/Depositories.
18. **Process and manner for members opting for Remote e-voting are as under:**

In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of CDSL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM.

**A. The instructions for Shareholders voting electronically are as under:-**

- (i) The remote e-voting period begins on Wednesday, September 26, 2018 (9:00 AM) and ends on Friday, September 28, 2018 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 22, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

<p>PAN</p>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<p>Dividend Bank Details <b>OR</b> Date of Birth (DOB)</p>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. Please enter the DOB or Dividend Bank Details in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <**NAGPUR POWER AND INDUSTRIES LIMITED**> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(xix) **Note for Non-individual Shareholders & Custodians:**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxi) Shareholders can also cast their vote using CDSL's mobile app “CDSL m-Voting” available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Saturday, September 22, 2018.
- C. Mr. Sanam Umbargikar, Partner of M/s. DSM and Associates, Practising Company Secretary (Membership No. 26141, COP No. 9394), has been appointed as Scrutinizer for scrutinizing the remote e-voting procedure in a fair and transparent manner.
- D. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- E. The declared Results, alongwith the Scrutinizer's Report, will be available on the Company's corporate website [www.nagpurpowerind.com](http://www.nagpurpowerind.com) under the section 'Investor' and on the website of CDSL; such Results will also be forwarded to the Stock Exchange where the Company's shares are listed.
- F. The Facility for voting through poll shall be made available at the Annual General Meeting (AGM) and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the AGM.
- G. The members who have casted their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**Details of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting**

Name of the Director	Ms. Nidhi Salampuria (DIN 07138654)
Date of Birth	24.12.1986
Nationality	India
Date of Appointment	01.04.2015
Brief Resume	Ms. Nidhi Salampuria is the Whole Time Company Secretary of the Company. She along with the Secretarial duties also handles the Legal function and business affairs of the Company. She also has rich experience in the streams of Law like Litigation, Contract Negotiations, and Corporate Governance. She holds a Bachelor of Law (LLB) degree from the University of Mumbai and is also a member of the Institute of Company Secretaries of India.
Expertise in specific functional areas	She is working with the Company from 2011 as a Company Secretary and Compliance officer. She is handling legal and compliance related matter of the Company and have vast experience for the same.
Directorships held in other companies	NIL
Committee position held in other companies	Nil
No. of shares held in the Company	50
Inter-se relationship between Directors	None

**\*Board Meeting Attendance and Remuneration Details are provided in Corporate Governance Report.**

By Order of the Board of Directors

Place: Mumbai

Date: August 13, 2018

**Gautam Khandelwal**

Chairman

DIN (00270717)

**Registered Office:**

"Nirmal" 20<sup>th</sup> Floor, Nariman Point, Mumbai 400021

CIN: L40100MH1996PLC104361

Website: [www.nagpurpowerind.com](http://www.nagpurpowerind.com)

## Directors' Report, Management Discussion and Analysis Report

To,

The Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2018. The Management Discussion and Analysis is also included in this Report.

### Financial Highlights

The performance of your Company for the year under review is summarized below: (Rs. in Lakhs)

Particulars	2017-2018	2016-2017
Revenue from Operations and Other Income	272.12	395.66
Profit/(Loss) before Interest, Depreciation & Tax	(8.29)	84.51
Less: Interest	1.84	2.12
Profit before Depreciation & Tax	(10.13)	82.39
Less: Depreciation	20.03	36.26
Profit/ (Loss) before Taxation	(30.16)	46.13
Less: Provision for Current Tax / (MAT)	8.00	-
Deferred Tax and adjustments prior year	-	-
Less MAT Credit	-	-
Profit/ (Loss) after tax for the year	(38.16)	46.13
Total other comprehensive income (net of tax)	105.94	33.83
Total comprehensive income for the year	67.78	79.96

\* *Figures as per Ind AS for both the years.*

### Dividend and Reserves

In view of losses suffered by the Company, your Directors do not recommend any dividend for the financial year ended March 31, 2018. During the year under review, no amount was required to be transferred to General Reserve.

### Share Capital

During the year, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. There was no provision made of the money by the Company for purchase of its own shares by employee or by trustee. As on March 31, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

During the year, there was no change in the Share Capital of the Company.

As on March 31, 2018, the issued, subscribed and paid up share capital of your Company stood at Rs. 130,955,070/-, comprising 13,095,507 Equity shares of Rs.10/- each.

### Directors and Key Managerial Personnel

As per the relevant provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, during the period under review, the following changes in Directors are detailed as follows:

- In accordance with the provisions of Section 152 of the Companies Act, 2013, Ms. Nidhi Salampuria (DIN 07138654), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

**The Company has following persons as Key Managerial personnel (KMP):**

Sr. No.	Name of the person	Designation	Date of Appointment as KMP
1.	Mr. Gautam Khandelwal	Executive Chairman	15.09.2014
2.	Mr. Santosh Khandelwal	Chief Financial Officer	30.09.2014
3.	Ms. Nidhi Salampuria	Company Secretary	30.09.2014

**Details of Board meetings**

During the year, the Board of Directors met 6 (Six) times, details of which are provided in the Corporate Governance report.

**Committees of the Board**

The details of the various committees of the board and their composition as on March 31, 2018 are as under:

Name of Director(s)	Audit Committee	Stakeholder Relationship Committee	Nomination & Remuneration Committee
Mr. Nimis Savailal Seth	Chairman	Chairman	Chairman
Mr. Gautam P. Khandelwal	Member	Member	Member
Mr. Girish Bakre	Member	Member	Member
Mr. Virat Mehta	Member	Member	Member
Mr. Ajit Parundekar	Member	Member	Member
Ms. Nidhi Salampuria	—	—	—

**Declaration by Independent Directors (IDs)**

Mr. Nimis Sheth, Mr. Girish Bakre and Mr. Virat Mehta are Independent Directors of the Company. The Company has received declaration from them confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013.

During the year, the Independent Director meeting was held on September 14, 2017.

**Nomination and Remuneration Policy**

The policy of the Company on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes and independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 is adopted by the Board and may be accessed on the Company's website at the link: <http://www.nagpurpowerind.com/investors/corporate-governance/>. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared as per the requirement of the act which included various aspects

of Boards and Committees functioning, Composition of the Board and its Committees, functioning of the Individual directors. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non - Executive Directors.

The Board expressed their satisfaction with the evaluation process.

#### **Significant and Material Orders Passed by the Regulators or Courts or Tribunals**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations.

#### **Internal Financial Controls**

The details in respect of internal financial control and their advocacy are included in the management discussion and analysis which forms part of this Annual Report

#### **Deposits**

During the year, your Company has not accepted any deposits under the provisions of Chapter V of the Companies Act, 2013 and the rules made there under.

#### **Subsidiary/Joint Ventures/Associate Companies:**

The Company does not have Joint Ventures/Associate Companies. The Company has One Subsidiary Company "The Motwane Manufacturing Company Private Limited".

#### **Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

#### **Management Discussion and Analysis**

##### **a) Economy review:**

The long-term growth perspective of the Indian economy is changing due to good governance, stable policies and good initiatives like smart cities. Your Company (through its Subsidiary) is in the business of manufacturing electrical equipment, a significant portion of which is supplied to the power sector which has continued to be affected by the political & economic situation. We hope to see a gradual recovery.

##### **b) Business and Industrial review and future outlook:**

The Company mainly operated on Metal Recovery Plant and produces Low Ferro Manganese (Slag) through its slag recovery process. However, the re-useable waste of fine particles remaining in the manganese slag which was dumped at various places at the factory site is depleting and it is uncertain how much slag is left. The technical consultants are also of the same view.

The management of the Company has foreseen this & thus entered another segment of business couple of years earlier via a majority stake in "The Motwane Manufacturing Company Private Limited", now a subsidiary company and is looking to develop its business in electrical sector. The company is also looking at other business opportunities including monetizing its assets and redeployment of the same in better business opportunities.

**c) Risks, Concerns & Threats:**

Depletion of slag dumps posed a major problem for the Company. In order to counter this, the Company entered into another business through its subsidiary company "The Motwane Manufacturing Company Private Limited" and is looking to develop it. The Management of the Company meets frequently to take the stock of all the impending and immediate threats to the business and takes necessary steps for positioning of the Company to meet the same in time. Any major threats affecting the Company in general and business environment indirectly affecting the functioning of the Company are discussed with the Board from time to time.

**d) Internal Control Systems:**

The Company has adequate internal control systems in place with reference to the financial statements. The Audit Committee of the Board periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors and the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.

**e) Financial Performance / Overview of Operations:**

During the year under review, the revenue from operation of the Company increased to Rs. 15.48 Lakhs from Rs. 8.68 Lakhs in the previous year. This marginal increase is due realizations of Ferro Manganese slags in 2017-2018 and sale of the same.

**Subsidiary Company and Consolidated Statements**

Your Company has one subsidiary i.e 'The Motwane Manufacturing Company Private Limited' (MMCPL). During the financial year 2017-18, total revenue of the MMCPL has increased to Rs. 29.67 crores from Rs. 21.81 crores in the previous financial year and the net profit of the Company is Rs. 6.66 Lakhs against a loss of Rs. 23.89 Lakhs in the previous financial year. MMCPL has also started export operations during the previous year and has successfully exported to 10 countries during the financial year 2017-18.

The Consolidated Financial Statement of your Company for the financial year 2017-18, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standard and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company, its subsidiary, as approved by their respective Board of Directors.

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement of Company's subsidiary is given as AOC -1. Brief particulars about the business of the Subsidiary are given hereunder.

MMCPL is an R & D based company and has developed various high technology test and Measurement products which have applicability in the domestic and international markets. The company's products are sold primarily to the power sector and energy intensive industries. The company expects gradual pick up in its order book due to growth and reform in the distribution sector in which the company operates. Alternatively, it is exploring its potential in the IOT space in adjacent areas like smart lighting and other IOT related industrial solutions.

**f) Material developments in human resources / industrial relations, including number of people employed**

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees.

During the year under review, various training and development workshops were conducted to improve the competency level of employee with an objective to improve the operational performance of individuals. The Company has built a competent team to handle challenging assignments and projects.

The Company has 17 permanent employees as on March 31, 2018.

**Risk Management**

The Company is aware of the risks associated with the business. The Management regularly analyses and takes corrective actions for managing / mitigating the same. In terms of the requirement of the Act, the Company has authorized Management to manage, monitor and report on the principal risks and uncertainties that can impact the ability to achieve the Company's strategic objectives. The Senior Management periodically informs the board on various issues along with its recommendations and comments for Board's review and necessary action.

**Statutory Auditors, their Report and Notes to Financial Statements**

M/s. Parekh Sharma and Associates, Chartered Accountants (Firm Registration No. 129301W) were appointed as the Statutory Auditors of the Company as per the provisions of Section 139 of the Companies Act, 2013 to hold office from the conclusion of the 21<sup>st</sup> Annual General Meeting (AGM) held on September 28, 2017 until the conclusion of the Fifth consecutive AGM of the Company to be held in the year 2022 (subject to ratification of their appointment by the Members at every AGM held after the AGM held on September 28, 2017).

Further, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Therefore, it is not proposed to ratify the appointment of auditors at the ensuing Annual General Meeting.

The Notes on financial statement 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.

**Details in respect of Frauds Reported By Auditors**

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

**Secretarial Auditor**

In terms of Section 204 of the Companies Act, 2013 and the rules made there under, M/s. DSM & Associates, Practicing Company Secretary (Certificate of Practice Number : 9394) have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditor is enclosed as **Annexure I** to this report. The report is self-explanatory and do not call for any further comments.

**Adherence to Indian Accounting Standards**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. As these are the first financial statements prepared in accordance with Ind AS, Ind AS 101 – First-time Adoption of Indian Accounting Standards has been applied. The transition was carried out from Generally Accepted Accounting Principles in India as prescribed under section 133 of the Act, read with rule 7 of the Companies Rules 2014 (IGAAP) which was the previous GAAP.

**Secretarial Standards**

The Company is in compliance with the applicable secretarial standards.

**Internal Auditors**

During the year under review, M/s. M.V. Ghelani & Co., Chartered Accountants (ICAI Registration No. 119077W) were appointed as Internal Auditor of the Company with effect from September 28, 2017 and they had carried out the internal audit exercise and submitted their reports periodically.

**Related Party Transactions**

There have been no materially significant related party transactions between the Company and the Directors, the management, the key managerial personnel, the subsidiaries or the relatives except for those disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web link: <http://www.nagpurpowerind.com/investors/corporate-governance/>

**Extract of the Annual Return**

Pursuant to the provisions of section 92(3) of Companies Act, 2013, the extract of the annual return in Form No. MGT- 9 is enclosed with the report as **Annexure II**.

**Disclosures pursuant to The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for Financial Year 2017-18 (Rs. in Lacs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Nimis Sheth Non-Executive Director	NIL	N.A.	N.A.	N.A.
2.	Mr. Girish Bakre Non- Executive Director	NIL	N.A.	N.A.	N.A.
3.	Ms. Nidhi Salampuria Non-Executive Director	Nil	N.A.	N.A.	N.A.
4.	Mr. Gautam Khandelwal Executive Chairman	12.00	NIL	12.12:1	Company has made a Loss of Rs. 38.15 Lakhs for F.Y. 17-18 VS profit of 46.13 Lakhs (Previous Year).
5.	Mr. Santosh Khandelwal Chief Financial Officer	10.01	10%	N.A.	
6.	Ms. Nidhi Salampuria Company Secretary & Compliance Officer	19.80	10%	N.A.	



**Notes:-**

- i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18: As per table given above
  - ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 : As per table given above.
  - iii) The percentage increase in the median remuneration of employees in the financial year 2017-18: -31.97%
  - iv) There were 17 confirmed employees on the rolls of the Company as on March 31, 2018.
  - v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration: As per table given above
  - vi) Affirmation that the remuneration is as per remuneration policy of the Company- Yes
- B) Particulars of employee's remuneration, as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:

During the year under consideration, none of the employees of the Company were in receipt of remuneration in excess of limits prescribed section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 hence particulars as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are not given.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are given below:

**(A) Conservation of Energy:**

Your Company continues to take appropriate measures to reduce its energy consumption on a regular basis.

**(B) Technology Absorption:****a. Research and Development (R & D):**

The Company has not undertaken any R&D activity in the current year.

**b. Technology Absorption, Adaptation and Innovation:**

The Company has not imported any technology during the year.

**(C) Foreign Exchange earnings and outgo:**

During the year, the foreign Exchange outgo was Rs 0.85 lakhs (Previous year – Rs. 1.69 lakhs). The foreign exchange. Earning was Nil (Previous year – Nil).

**Corporate Social Responsibility (CSR)**

Since the CSR norms are not applicable to the Company hence, the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not required to be made.

**Cost Record**

Maintenance of cost records as specified under Section 148(1) of the Act is not applicable to your Company.

**Vigil Mechanism and Whistle Blower Policy**

The Company has adopted a Vigil Mechanism and Whistle Blower Policy to report genuine concerns about any unethical behavior, actual or suspected fraud or violations of the Company's code of conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act. The policy can be accessed on the Company's website at following link <http://www.nagpurpowerind.com/investors/corporate-governance/>

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of Sexual Harassment Complaints received and disposed off during the year 2017-2018.

Sr. No.	No. of Complaint received	No. of Complaints disposed off
1	Nil	N.A.

**Material Changes**

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which this report relates and the date of the report except as otherwise mentioned in this director report, if any.

There had been no changes in the nature of Company's business. To the best of information and assessment there has been no material changes occurred during the financial year generally in the classes of business in which the Company has an interest except as otherwise mentioned in this director report, if any.

**Directors' Responsibility Statement**

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

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they have 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 loss of the Company for that year;
- iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems

were adequate and operating effectively.

**Corporate Governance**

The Company adheres to the requirements set out by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance which form an integral part of this Report, are set out as **Annexure III**, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Acknowledgements**

Your Board of Directors wishes to place on record their appreciation for the whole-hearted co-operation received by the Company from the Shareholders, various Government departments, Business Associates, Company's Bankers and all the employees during the year.

**For and on behalf of the Board**

**Place: Mumbai**  
**Date: August 13, 2018**

**Gautam Khandelwal**  
**Chairman**  
**DIN (00270717)**

**Annexure I****SECRETARIAL AUDIT REPORT****For the Financial Year ended 31<sup>st</sup> March, 2018**

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

**To,****The Members of****Nagpur Power and Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nagpur Power and Industries Limited** (CIN: L40100MH1996PLC104361) (hereinafter called "The Company"). We have conducted Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extend, 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 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Director Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
  - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other specifically applicable laws to the Company during the period under review;
  - (i) Income Tax Act, 1961;
  - (ii) Chapter V of the Finance Act, 1994 (Service Tax);
  - (iii) Public Liability Insurance Act, 1991;
  - (iv) Registration Act, 1908;
  - (v) Indian Stamp Act, 1899;
  - (vi) Indian Contract Act, 1872;
  - (vii) Negotiable Instrument Act, 1881;
  - (viii) Information Technology Act, 2000;
  - (ix) Prevention of Money Laundering Act, 2002;
  - (x) Consumer Protection Act, 1986;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with The Bombay Stock Exchange or Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

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, if any, 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

Based on the information provided and the representation made by the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- (i) The Company has adopted new set of Articles of Association pursuant to provision of the Companies Act, 2013;
- (ii) M/s. Parekh Sharma and Associates, Chartered Accountants (FRN No.129301W) were appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. M. V. Ghelani & Co., Chartered Accountants (FRN No.119077W);
- (iii) Mr. Ajit Parundekar (DIN: 00042608) was appointed as Non-Executive Director of the Company with effect from 1<sup>st</sup> June, 2017;
- (iv) Mr. Virat Mehta (DIN: 07910116) was appointed as an Independent Director of the Company with effect from 30<sup>th</sup> August, 2017;

and there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

***For DSM & Associates,  
Company Secretaries***

***CS Sanam Umbargikar***

***Partner***

**M.No. 26141**

**COP No. 9394**

Date: 24<sup>th</sup> July, 2018

Place: Mumbai.

*To,*

*The Board of Directors,*

*Nagpur Power and Industries Limited*

*Dear Sirs,*

**Subject: Secretarial Audit Report for financial year ended 31<sup>st</sup> March, 2018.**

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

1. Maintenance of Secretarial Records 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 check basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
5. 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.

*For DSM & Associates,  
Company Secretaries*

*CS Sanam Umbargikar  
Partner*

**M.No. 26141  
COP No. 9394**

Date: 24<sup>th</sup> July, 2018

Place: Mumbai.

**Annexure - II**  
**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L40100MH1996PLC104361
2.	Registration Date	06.12.1996
3.	Name of the Company	Nagpur Power And Industries Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	Nirmal, 20 <sup>th</sup> Floor, Nariman Point, Mumbai – 400021 Tel: 91-22-22023055, Fax: 91-22-22043162 Email: nidhi@khandelwalindia.com
6.	Whether listed company	Listed on BSE Ltd. (BSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Low ferro Manganese	24104	100.00%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of The company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of share held	Applicable Section
1.	The Motwane Manufacturing Company Private Limited	U32109MH1960PTC011827	Subsidiary	76.76%	2(87)



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding :**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter's</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	1876900	45500	1922400	14.68	1876900	45500	1922400	14.68	0
b) Central Govt	0	0	0	0	0	0	0	0	-
c) State Govt(s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	338432	0	338432	2.58	338432	0	338432	2.58	0
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any other	0	0	0	0	0	0	0	0	-
<b>Sub-total (A) (1)</b>	<b>2215332</b>	<b>45500</b>	<b>2260832</b>	<b>17.26</b>	<b>2215332</b>	<b>45500</b>	<b>2260832</b>	<b>17.26</b>	<b>0</b>
(2) <b>Foreign</b>									
a) NRI/ Individuals	0	0	0	0	0	0	0	0	-
b) Other – Individuals	0	0	0	0	0	0	0	0	-
c) Bodies Corporate	5641100	0	5641100	43.08	5641100	0	5641100	43.08	0
d) Banks / FI	0	0	0	0	0	0	0	0	-
e) Any Other	0	0	0	0	0	0	0	0	-
<b>Sub-total (A) (2)</b>	<b>5641100</b>	<b>0</b>	<b>5641100</b>	<b>43.08</b>	<b>5641100</b>	<b>0</b>	<b>5641100</b>	<b>43.08</b>	<b>0</b>
<b>Total Promoter Shareholding</b>									
<b>(A) = (A) (1) + (A) (2)</b>	<b>7856432</b>	<b>45500</b>	<b>7901932</b>	<b>60.34</b>	<b>7856432</b>	<b>45500</b>	<b>7901932</b>	<b>60.34</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Banks / FI	7750	3900	11650	0.09	7750	3900	11650	0.09	0
c) Central Govt	0	0	0	0	0	0	0	0	-
d) State Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	1585094	0	1585094	12.10	1585094	0	1585094	12.10	0
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	-
<b>Sub-total (B)(1):-</b>	<b>1592844</b>	<b>3900</b>	<b>1596744</b>	<b>12.19</b>	<b>1592844</b>	<b>3900</b>	<b>1596744</b>	<b>12.19</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies corporate									
i) Indian	119520	0	119520	0.91	92049	0	92049	0.70	-0.21
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	897331	1180732	2078063	14.48	878330	1167982	2046312	15.03	0.55
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	998355	161850	1160205	10.25	1039782	161850	1201632	9.78	-0.47
c) Others (specify)									
NRI (Rep)	1144	1500	2644	0.02	875	1500	2375	0.02	0.00
NRI (Non-Rep)	3753	7400	11153	0.09	5815	7400	13215	0.10	0.01
Trust	500	0	500	0	500	0	500	0.00	0.00
Hindu Undivided Family	220142	0	220142	1.68	235887	0	235887	1.80	0.12
Clearing Members	4604	0	4604	0.04	4861	0	4861	0.04	0.00
<b>SUB TOTAL (B)(2):</b>	<b>2245349</b>	<b>1351482</b>	<b>3596831</b>	<b>27.47</b>	<b>2258099</b>	<b>1338732</b>	<b>3596831</b>	<b>27.46</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3838193</b>	<b>1355382</b>	<b>5193575</b>	<b>39.66</b>	<b>3850943</b>	<b>1342632</b>	<b>5193575</b>	<b>39.66</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>11694625</b>	<b>1400882</b>	<b>13095507</b>	<b>100.00</b>	<b>11707375</b>	<b>1388132</b>	<b>13095507</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Gautam P Khandelwal	491100	3.75	0	491100	3.75	0	0
2	Suelve G Khandelwal	207150	1.58	0	207150	1.58	0	0
3	Geeta P Khandelwal	575200	4.39	0	575200	4.39	0	0
4	Premnath Khandelwal	45500	0.35		45500	0.35		0
5	Sia G Khandelwal	201250	1.54	0	201250	1.54	0	0
6	Tara G Khandelwal	200950	1.53	0	200950	1.53	0	0
7	Uday Siddharth Khandelwal	201250	1.54	0	201250	1.54	0	0
8	Khandelwals Limited	5641100	43.08	0	5641100	43.08	0	0
9	Informed Technologies India Limited	254232	1.94	0	254232	1.94	0	0
10	Zeppelin Investments Private Limited	84200	0.64	0	84200	0.64	0	0
	<b>Total</b>	<b>7901932</b>	<b>60.34</b>	<b>0</b>	<b>7901932</b>	<b>60.34</b>	<b>0</b>	<b>0</b>

## iii) Change in Promoters' Shareholding : (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	7901932	60.34	7901932	60.34
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	#		#	
At the end of the year	7901932	60.34	7901932	60.34

# There is no change in the total shareholding of promoters between 01.04.2017 to 31.03.2018.

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

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year (01.04.2017)		Shareholding at the end of the year (31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation Of India	1585094	12.1	1585094	12.1041
2	Bharat Jayantilal Patel	420139	3.21	420139	3.2082
3	Bhagwat Devidayal	102500	0.78	102500	0.7827
4	Uday Acharya	52750	0.4	52750	0.4028
5.	Mithlesh Gupta	50820	0.3881	28259	0.2158
6	Ghanshyam Sadhana Mundra (Huf)	50000	0.38	50000	0.3818
7	Gira Shah	43683	0.3336	44108	0.3368
8	Golden Life Financial Services Pvt. Ltd.	37716	0.29	0	0.0000
9	Aditya Sadhana (Huf)	36858	0.2815	36858	0.2815
10	Nikita Aditya Mundra	36225	0.2766	74048	0.5654
11	Vipulkumar Rasiklal Shah	34450	0.2631	34450	0.2631
12	Imran S Contractor	33277	0.2541	33277	0.2541
13	Ghanshyam Das Mundra	25000	0.19	88716	0.3894

\* The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in Shareholding is not indicated.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>A</b>	<b>DIRECTORS</b>				
	Gautam P Khandelwal	491100	3.75	491100	3.75
	Girish Bakre	0	0	0	0
	Nimis Sheth	4500	0.03	4500	0.03
	Nidhi Salampuria	50	0.00	50	0.00
	Ajit Parundekar	1100	0.00	1100	0.00
	Virat Mehta	0	0.00	0	0.00
<b>B</b>	<b>KEY MANAGERIAL PERSONNEL</b>				
	Gautam P Khandelwal	491100	3.75	491100	3.75
	Santosh Khandelwal	100	0.00	100	0.00
	Nidhi Salampuria	50	0.00	50	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2694885	-	-	2694885
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2694885</b>	<b>-</b>	<b>-</b>	<b>2694885</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	(754808)	-	-	(754808)
<b>Net Change</b>	<b>(754808)</b>	<b>-</b>	<b>-</b>	<b>(754808)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1940077	-	-	1940077
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1940077</b>	<b>-</b>	<b>-</b>	<b>1940077</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**
**Rs. In Lakhs**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Gautam P Khandelwal (Executive Chairman)</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	12.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	12.00	12.00
	Ceiling as per the Act	As per Sec II of Part II of Schedule V to the Co. Act, 2013	

**B. Remuneration to Other Directors**
**Rs. In Lakhs**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. Virat Mehta	Mr. Nimis Sheth	Mr. Girish Bakre	-
	Fee for attending board and committee meetings	5.60	*	*	5.60
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>5.60</b>	<b>*</b>	<b>*</b>	<b>5.60</b>
2	Other Non-Executive Directors	Mr. Ajit Parundekar	Ms. Nidhi Salampurua	-	-
	Fee for attending board and committee meetings	4.45	*	-	4.45
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>4.45</b>	<b>*</b>	<b>-</b>	<b>4.45</b>
	<b>Total (B)=(1+2)</b>	<b>10.05</b>	<b>-</b>	<b>-</b>	<b>10.05</b>
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting			

\* Mr. Nimis Sheth, Mr. Girish Bakre and Ms. Nidhi Salampurua have waived-off their sitting fees.

**C. Remuneration to Key Managerial Personal Other than MD/MANAGER/WTD**

Rs. In Lakhs

SN	Particulars of Remuneration	Key Managerial Personnel		
		Nidhi Salampuria CS	Santosh Khandelwal CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	19.80	10.01	29.80
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit others, specify...			
5	Others, please specify			
	<b>Total</b>	<b>19.80</b>	<b>10.01</b>	<b>29.80</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexure - III**

**REPORT ON CORPORATE GOVERNANCE**

**COMPANY'S PHILOSOPHY ON THE CORPORATE GOVERNANCE**

Nagpur Power And Industries Limited believes in adopting the best practices in the area of Corporate Governance and follows the principles of fair representation, full disclosure, accountability and responsibility in all its dealings and communications with the ultimate objective of realizing and enhancing shareholder's values and protecting the rights and interests of all its stakeholders.

**BOARD OF DIRECTORS**

**a) Composition of Board & Category of Directors as on March 31, 2018**

The Board consists of 6 (six) Directors, of these 3 (three) Directors are Independent Directors. The Chairman of the Board is Promoter and Executive Director.

Details of the Composition of Board of Directors are as follows:

Sr. No.	Name of Director	Executive/ Non-Executive/ Independent/ Chairman/ Promoter	Shares held	
			No. of shares held	% of total shares of the Company
1	Mr. Gautam Khandelwal	Executive Chairman and Promoter	491100	3.75%
2	Mr. Girish M. Bakre	Independent	0	0%
3	Mr. Nimis Sheth	Independent	4500	0.03%
4	Ms. Nidhi Salampuria	Non – Executive	50	0.00%
5	Mr. Virat Mehta	Independent	0	0.00%
6	Mr. Ajit Parundekar	Non – Executive	1100	0.00%

- Notes: 1) Ms. Nidhi Salampuria is also Company Secretary and Compliance Officer of the Company.  
 2) None of the Directors are Inter-se related to each others.  
 3) Mr. Ajit Parundekar and Mr. Virat Mehta were appointed as director's w.e.f June 01, 2017 and August 30, 2018 respectively.

**b) Attendance of each Director at the Board Meeting and the last Annual General Meeting (AGM):**

The meetings of the Board of Directors are held at least once in each quarter, scheduled well in advance and generally held at the Company's registered office in Mumbai. During the Financial Year 2017-18, 6 (Six) board meetings were held. The board meetings were held on May 30, 2017; August 30, 2017; September 14, 2017; September 28, 2017; December 14, 2017; and February 14, 2018. Further, the AGM of the Company was held on September 28, 2017 at the registered office of the Company.

Details of the Attendance of each Director at the Board Meeting and the last AGM is as follow:

Sr. No.	Name of Directors	Attendance details		
		Board Meeting		Last A.G.M
		Held	Attended	
1	Mr. Gautam Khandelwal	6	6	Yes
2	Mr. Girish Bakre	6	6	No
3	Mr. Nimis Sheth	6	4	No
4	Ms. Nidhi Salampuria	6	6	Yes
5	Mr. Virat Mehta	4	4	Yes
6	Mr. Ajit Parundekar	5	5	Yes

**c) Directorship of Directors in other Companies**

The Details of the Directors with regard to their outside Directorships, Committee positions are as follows:

Sr. No.	Name of Director	Executive/ Non-Executive/ Independent	No. of Directorship Held in Other Indian Public Ltd Companies (1)	Outside Committee Positions Held(2)	
				Chairman	Member
1	Mr. Gautam Khandelwal	Executive	5	3	2
2	Mr. Girish Bakre	Independent	1	0	0
3	Mr. Nimis Sheth	Independent	1	2	0
4	Ms. Nidhi Salampuria	Non – Executive	0	0	0
5	Mr. Virat Mehta	Independent	2	0	0
6	Mr. Ajit Parundekar	Non – Executive	0	0	0

**Notes:**

1. Directorship excludes Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.
2. Chairmanship /Membership only include Audit Committee and Stakeholders Relationship Committee.

**d) Familiarization of Independent Directors**

Your Company has in place a structured induction and familiarization programme for all its Directors including the Independent Directors. Your Company through such programmes familiarizes not only the Independent Directors but any new appointee on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Further, terms and conditions for appointment of Independent Director is been provided to them, same can be accessed from website of the Company at [www.nagpurpowerind.com](http://www.nagpurpowerind.com)

Brief details of the familiarization programme are uploaded on the website of your Company <http://www.nagpurpowerind.com/investors/corporate-governance/>



**e) Meeting of Independent Directors**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on **September 14, 2017** the attendance of Non- Independent Directors and members of the management.

**f) Detail of Directors being appointed and re-appointed**

As required under Regulations 26(4) and 36(3) of the SEBI (LODR) Regulations, 2015, particulars of the Director seeking appointment and re-appointment are given in the Explanatory Statement to the Notice of the AGM.

**g) Code of Conduct**

The Company has laid down code of conduct applicable to all Board of Directors, Senior Management and Key Managerial Personnel of the Company and all have confirmed compliance of the code of conduct. A declaration to this effect duly signed by the Chairman is annexed hereto.

**h) Subsidiary Company**

Under SEBI (LODR) Regulations, 2015, an Independent Director of the Company is required to be appointed as Director on the Board of the material Indian subsidiaries.

Mr. Virat Mehta, Independent director of the Company has been appointed as the nominee director of "The Motwane Manufacturing Company Private Limited" w.e.f. June 01, 2018 in place of Mr. Nimis Sheth.

The Audit Committee of the Company reviews the financial statements, including the investments made, of its subsidiary.

The Minutes of the meetings of the Board of Directors of the subsidiary company are regularly placed before the Board of Directors of the Company. A statement containing the significant transactions and arrangements entered into by the subsidiary are periodically placed before the Board of Directors of the Company.

The Company has formulated a Policy for determining material subsidiaries. The policy is available on the website of the company at <http://www.nagpurpowerind.com/investors/corporate-governance/>

**BOARD COMMITTEES****1. Audit Committee**

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Audit Committee comprises of Mr. Nimis Sheth (Chairman), Mr. Virat Mehta (Member) and Mr. Gautam Khandelwal (Member) as on this date. The members of the Committee have the relevant experience in the field of finance, banking and accounting. Statutory Auditor of the Company and Internal Auditor are invitees to the Audit Committee Meeting.

The scope and terms of reference and working of the Audit Committee are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. The Audit Committee inter alia performs the functions of review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions etc. As on March 31, 2018, these confirm to the requirements of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as the Secretary of the Committee. The Committee met 6 (Six) times during the year under review. The meetings were held on May 30, 2017; August 30, 2017, September 14, 2017; September 28, 2017; December 14, 2017; and February 14, 2018.

Sr. No.	Name of Director	No. of Meetings	
		Held	Attended
1	Mr. Nimis Sheth - Chairman	6	4
2	Mr. Girish Bakre*	6	6
3	Mr. Gautam Khandelwal	6	6
4	Mr. Virat Mehta*	4	4
5	Mr. Ajit Parundekar*	4	4

**\* Mr. Virat Mehta and Mr. Ajit Parundekar has been appointed as member of the committee w.e.f September 01, 2018. Further, Mr. Ajit Parundekar and Mr. Girish Bakre Ceased to be a member w.e.f. July 01, 2018.**

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprise of Mr. Nimis Sheth (Chairman), Mr. Virat Mehta (Member), Mr. Ajit Parundekar (Member) and Mr. Gautam Khandelwal (Member) as on this date. The Committee met 3 (Three) times during the year under review. The meetings were held on May 30, 2017; August 30, 2017; and February 14, 2018;

Sr. No.	Name of Director	No. of Meetings	
		Held	Attended
1	Mr. Nimis Sheth - Chairman	3	3
2	Mr. Girish Bakre*	3	3
3	Mr. Gautam Khandelwal	3	3
4	Mr. Virat Mehta*	1	1
5	Mr. Ajit Parundekar*	1	1

**\* Mr. Virat Mehta and Mr. Ajit Parundekar has been appointed as member of the committee w.e.f September 01, 2018. Further, Mr. Girish Bakre Ceased to be a member w.e.f. July 01, 2018.**

The purpose of the Committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

The Committee also discharges the Board's responsibilities relating to compensation of the Company's EDs and senior management. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for EDs and the senior management. The Committee reviews and recommends to the Board, to approve for the EDs, the base salary, incentives/commission, other benefits, compensation or arrangements and executive employment agreements.

The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors and board diversity. The details are given in the director's report.

The Nomination and Remuneration Policy of the Company's can be accessed at the Website at <http://www.nagpurpowerind.com/investors/corporate-governance/>

## Details of Remuneration paid to Directors for the year

Rs. in lakhs

Name of the Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Gautam Khandelwal	12.00	Nil	Nil	<b>12.00</b>
Mr. Nimis Sheth	Nil	Nil	Nil	<b>Nil</b>
Mr. Girish Bakre	Nil	Nil	Nil	<b>Nil</b>
Ms. Nidhi Salampuria	Nil	Nil	Nil	<b>Nil</b>
Mr. Virat Mehta	Nil	Nil	5.60	<b>5.60</b>
Mr. Ajit Parundekar	Nil	Nil	4.45	<b>4.45</b>

- *Sitting fees has only been paid to Non-Executive Directors. Further, Mr. Nimis Sheth, Mr. Girish Bakre and Ms. Nidhi Salampuria have waived-off their sitting fees.*
- *No Salary was paid to any of the directors other than Mr. Gautam Khandelwal during the year.*
- *Ms. Nidhi Salampuria, Director of the Company who is also Company Secretary and Compliance Officer of the Company is been paid Salary in the capacity of a Company Secretary and Compliance Officer.*
- *Your Company has not granted any stock options to any of its Directors.*

**3. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprise of Mr. Nimis Sheth (Chairman), Mr. Virat Mehta (Member), Mr. Ajit Parundekar (Member) and Mr. Gautam Khandelwal (Member) as on this date.

The Company Secretary acts as the Secretary of the Committee. The Committee met 5 (Five) times during the year under review. The meetings were held on May 30, 2017; August 30, 2017, September 14, 2017; December 14, 2017 and February 14, 2018.

Sr. No.	Name of Members	No. of Meetings	
		Held	Attended
1	Mr. Nimis Sheth - Chairman	5	4
2	Mr. Girish Bakre*	5	5
3	Mr. Gautam Khandelwal	5	5
4	Mr. Virat Mehta*	3	3
5	Mr. Ajit Parundekar*	3	3

**\* Mr. Virat Mehta and Mr. Ajit Parundekar has been appointed as member of the committee w.e.f September 01, 2018. Further, Mr. Girish Bakre Ceased to be a member w.e.f. July 01, 2018.**

The purpose of the committee is to approve/take note of transfers, transmission of shares, issue duplicate/rematerialized shares and consolidation and splitting of share certificates, to review shareholders correspondence including such other complaints received from various stakeholders and its redressal from time to time.

Name and designation of Compliance Officer: Ms. Nidhi Salampuria

**Details of Shareholders' Complaints:**

Shareholders / Investors Complaints	Complaint Nos.
Complaints as on April 1, 2017	Nil
Complaints received during 2017-18	Nil
Complaints not solved to the satisfaction of shareholders	Nil
Complaints pending as on March 31, 2018	Nil

The Company attends to investors and shareholders grievances within 15 days from the date of receipt of the same.

**4. ANNUAL GENERAL MEETINGS**

Details of the last three Annual General Meetings held are given below:

Financial Year	Date, Time and Venue	Special Resolutions passed
2014-2015	September 24, 2015 at 9:30 AM 20 <sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai 400021	3 Special Resolution was passed through e-voting and ballot
2015-2016	September 27, 2016 at 10:30 AM 20 <sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai 400021	1 Special Resolution was passed through e-voting and ballot
2016-2017	September 28, 2017 at 2:30 PM 20 <sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai 400021	3 Special Resolution was passed through e-voting and ballot

**Postal Ballot**

During the financial year 2017-18, no special resolutions were passed through postal ballot. No special resolution requiring a Postal Ballot is being proposed at the ensuing AGM.

**5. Disclosures**

- The disclosures with regard to transactions with related parties are given in the **Note 35** of the audited financial statements for the year ended March 31, 2018. The Audit Committee has reviewed these transactions in compliance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The related party policy can be accessed from the following link : <http://www.nagpurpowerind.com/investors/corporate-governance/>
- There were no instances of non-compliance, penalties, restrictions imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- The Company has constituted Vigil Mechanism/ Whistle Blower Policy, the details of the same is given in the Directors report. Further, no personnel has been denied access to the Audit Committee.
- The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors, Senior Management & Key Managerial Personnel and other designated employees of the company.

- The Company has complied with mandatory requirements of the SEBI (LODR) Regulations, 2015, Secretarial Standard and Companies Act 2013.
- As regards discretionary requirement specified in part E of Schedule II of SEBI (LODR) Regulations, 2015 the Company has complied with item E.
- The Company has complied with all Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub – Regulation (2) of Regulation 46.

#### 6. Means of communication

- The quarterly un-audited results were published in Financial Express and Apale Mahanagar or Mumbai Lakshadeep, in accordance with the requirement of the SEBI (LODR) Regulations, 2015.
- Annual audited financial results were published in Financial Express and Mumbai Lakshadweep. These are not sent individually to the shareholders. No presentations were made to institutional investors or to the analysts.
- Also available on the Company's Website at <http://www.nagpurpowerind.com/>

#### 7. General Shareholders Information

##### (a) Annual General Meeting For the Financial Year 2017-18:

Date	:	September 29, 2018 - Saturday
Time	:	12:30 PM
Venue	:	20 <sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai - 21
Financial Year	:	April 01, 2017 to March 31, 2018

##### (b) Financial Calendar (April 1, 2018 to March 31, 2019):

Adoption of Quarterly results for		(Tentative)
First quarter results	:	Held on August 13, 2018
Second quarter results	:	On or before November 14, 2018
Third quarter results	:	On or before February 14, 2019
Fourth quarter and Annual results	:	On or before May 30, 2019

(c) **Date of Book closure** : Sunday, September 23, 2018 to Saturday, September 29, 2018 (both days inclusive).

##### Listing details:

Stock Exchange	:	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400001.
Scrip Code	:	532362
ISIN Number	:	INE099E01016 - NSDL & CDSL

**Listing fee has been paid for the financial year 2018-19.**

**(e) Market Price Data:**

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2017-18 is as follows:

Month	High (₹)	Low (₹)	Volume (shares)
Apr-17	32.95	25.30	24,955
May-17	34.90	27.55	35,081
Jun-17	33.40	27.25	44,439
Jul-17	33.80	29.15	24,354
Aug-17	32.45	23.25	15,115
Sep-17	41.70	27.20	48,974
Oct-17	42.05	32.10	29,711
Nov-17	44.00	30.30	38,675
Dec-17	49.95	35.00	61,476
Jan-18	53.45	38.45	69,571
Feb-18	48.00	35.00	28,785
Mar-18	42.00	30.00	40,135

**(f) Performance in comparison to broad-based indices such as BSE Sensex.**



**(g) Registrar and Transfer Agent:**

Link Intime India Private Limited  
 C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083  
 Tel No: +91 22 49186000 Fax: +91 22 49186060  
 Email Id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**(h) Share Transfer System:**

Share transfer in physical form are registered and returned within a period of 7 to 15 days from the date of receipt in case documents are complete in all respects.

**(i) Distribution of Shareholding as on March 31, 2018 is as under:**

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	2752	73.5632	657824	5.0233
501-1000	374	9.9973	278107	2.1237
1001-2000	359	9.5964	463015	3.5357
2001-3000	100	2.6731	239949	1.8323
3001-4000	24	0.6415	81317	0.6210
4001-5000	33	0.8821	151292	1.1553
5001-10000	44	1.1762	305856	2.3356
10001 and above	55	1.4702	10918147	83.3732
<b>Total</b>	<b>3741</b>	<b>100.0000</b>	<b>13095507</b>	<b>100.0000</b>

**(j) Shareholding Pattern as on March 31, 2018 is as under:**

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	2,260,832	17.26
2	Foreign Promoters	5,641,100	43.08
3	Mutual Funds/UTI	0	0.00
4	Financial Institutions/Banks	11,650	0.09
5	Insurance Companies	1,585,094	12.10
6	Private Bodies Corporate	92049	0.70
7	Indian Pubic	3247944	24.81
8	NRI/OCBs	15590	0.12
9	Trusts	500	0.00
10	Clearing Members	4861	0.04
11	Hindu Undivided Family	235887	1.80
	<b>TOTAL</b>	<b>130,95,507</b>	<b>100.00</b>

**(k) Dematerialization of shares as on March 31, 2018 is as under:**

Particulars	No. of shares	% to Issued Capital
<b>Demat</b>		
National Securities Depository Limited	9364426	71.51
Central Depository Securities Limited	2342949	17.89
Physical	1388132	10.60
<b>Total</b>	<b>13,095,507</b>	<b>100.00</b>

**(l) Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs and there are no warrants or any Convertible instruments.

**(m) Plant Location:**

Khandelwal Nagar, Kanhan, Dist. Nagpur – 441 402, Maharashtra.

**(n) Name and Designation of Compliance Officer:** Ms. Nidhi Salampuria**(o) Address for correspondence:**

The Company Secretary

Nagpur Power And Industries Limited

Nirmal, 20th Floor, Nariman Point, Mumbai-400021

Tel # +91-22-22023055/66 , Fax # +91 22-22043162

Email id: npil\_investor@khandelwalindia.com

**(p) Auditors Certificate on Corporate governance:**

The Auditors Certificate on Compliance of Listing Regulations relating to Corporate Governance is given as an annexure to this report.

**(q) CEO and CFO Certification:**

As required by SEBI (LODR) Regulations, 2015 the CEO and CFO have given appropriate certifications to the Board of Directors.

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**Annexure****DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

It is hereby affirmed that, the Board of Directors and Senior Management/ Key Managerial personnel have complied with the Code of Conduct framed by the Company and a confirmation to that effect has been obtained from the Directors and Senior Management/ Key Managerial personnel in respect of financial year ended March 31, 2018.

**For Nagpur Power And Industries Limited**

Place: Mumbai

Date: May 30, 2018

**Gautam Khandelwal**

Executive Chairman

DIN (00270717)



**Annexure****AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE**

To,

**The Members of**

**Nagpur Power And Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Nagpur Power And Industries Limited (the Company), for the year ended March 31 2018, as per Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (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 or effectiveness with which the management has conducted the affairs of the Company.

**For Parekh Sharma And Associates**

Chartered Accountants

Firm Regn. No. 129301W

Date: August 13, 2018

Place: Mumbai

**Sujesh Sharma**

Partner

Membership No. 118944

**INDEPENDENT AUDITORS' REPORT**

To

The Members of

**NAGPUR POWER AND INDUSTRIES LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying financial statements of **NAGPUR POWER AND INDUSTRIES LIMITED**, which comprises Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss Account (including Other Comprehensive Income), Statement of Cash Flow and Statement of Changes in Equity, for the year ended 31st March 2018 and a summary of significant accounting policies and other explanatory information (Herein after referred to as "Standalone Ind AS financial statements").

**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 that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the rules issued thereunder.

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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Standalone Ind AS financial statements. The procedures selected depend on the auditor's 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 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations furnished 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 including the Ind AS;

- a) of the State of affairs (financial position) of the Company as at March 31, 2018;
- b) of the Profit (financial performance including Other Comprehensive Income) for the year ended on that date;
- c) of the Cash Flows for the year ended on that date; and
- d) of the Changes in Equity for the year ended on that date.

### **Other Matters**

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended 31 March, 2017 and 31 March, 2016 dated 30<sup>th</sup> May, 2017 and 27<sup>th</sup> May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) order, 2016 ("The Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have obtained all the information and explanations which to the best our knowledge and belief were necessary for the purpose of audit.

- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 referred to in the Section 133 of the Companies Act, 2013 and read with relevant rule issued thereunder.
- e) On the basis of representations received from the directors as on Mar 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act ; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 31 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For Parekh Sharma & Associates**

**Chartered Accountants**

Firm Regn. No. 129301W

**Sujesh Sharma**

Partner

M. No. : 118944

Place: Mumbai

Date: 30<sup>th</sup> May, 2018

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Annexure referred under the heading "Report on Other Legal and Regulatory requirements" of our report of even date to the Members of Nagpur Power And Industries Limited ('the Company') on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2018.

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its fixed assets. The discrepancies noticed on verification between the physical fixed assets and the books records were not material having regard to nature and size of the operations of the company and the same have been properly dealt with in books of accounts.
- c) According to the information and explanations given to us and on the basis of documents and records produced before us, the title deeds of immovable properties are held in the current or former name of the company.

- ii. As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals.

In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in books of accounts.

- iii. According to the information and explanation given to us, the Company has granted loan to one party covered in the register maintained under section 189 of the Companies Act, 2013:

- a) The above loan has been given to an entity at an interest rate of 10% p.a. wherein the company has also made a strategic investment in its Equity and is without any stipulation as regards to its repayment. In view of the controlling interest and long strategies of the management the terms and conditions of this loan are not, prima facie, prejudicial to the interest of the Company.

- b) In view of what is stated at (a) above, there is no schedule of repayment of principal and payment of interest and there is no repayment or receipt during the year. However during the previous year, pursuant to the Right issue, The Motwane Manufacturing Co. Pvt. Ltd. has allot total 92885 nos. of equity shares (face value of Rs. 100/- each) @ Rs. 500/- each including premium of Rs. 400/- per shares. The Company has settled ICD of Rs. 25,058,730/- along with accrued Interest of Rs. 10,262,270/- against share application money.

- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, making investments and providing guarantees and securities, as applicable

- v. The company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.

vi. According to the information and explanation given to us, the maintenance of cost records was not prescribed by the Central Government under section 148(1) of the Act, for any of the activities of the company.

vii. a) According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues, applicable to it, with the appropriate authorities.

According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues, applicable to it, were in arrears, as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they become payable.

b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, service tax, goods and service tax, excise duty, or cess which have not been deposited on account of any dispute, except as stated below:

Name of the Statute	Nature of dues	Amount of demand (Rs. in lacs)	Forum where dispute is pending
The Income Tax-Act,1961	Income-Tax	5.72	Commissioner of Income Tax (Appeals), Mumbai
The Income Tax-Act,1961	Income-Tax	13.73	Income Tax Appellate Tribunal
West Bengal Sales Tax Act, 1957 - Sales tax case at Calcutta.	Sales tax demand of three Asst. Years	2.43	Commissioner of Sales Tax (Appeal) Calcutta.
Uttar Pradesh Sales Tax Act, 1957 – Sales tax case at Kanpur	Sales Tax demand	3.33	Commissioner of Sales Tax (Appeal) Kanpur.
B.S.T Act, 1959	B.S.T & C.S.T	195.45	JT. Commissioner of sales tax (Appeals), Nagpur.
Customs Act, 1962	Customs and Advalorem Duty	117.43	Commissioner of Customs (E.P.) and Directorate General of Foreign trade (DGFT)
The Bombay Stamp act, 1958	Stamp duty	45.83	Supreme Court of India
Other statutory dues	Entry tax	4.58	Tahsildar

viii. According to the information and explanation given to us and the records made available to us, the company has not defaulted in repayment of dues to any financial institution, banks or debenture holders during the year.

ix. According to the information and explanation given to us, the company has not raised any money by way of initial public or further public offer and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order is not applicable to the company.

- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. According to the information and explanation given to us, and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company as specified in Nidhi Rules 2014. Accordingly, the provisions of clause 3 (xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable. The details of such related party transactions have been disclosed in the financial statements as required by applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records, the company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the order is not applicable.

**For Parekh Sharma & Associates**

**Chartered Accountants**

Firm Regn. No. 129301W

**Sujesh Sharma**

Partner

M. No. : 118944

Place: Mumbai

Date: 30<sup>th</sup> May, 2018

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018****Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Nagpur Power And Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and



directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018. However it has been informed by the management of the company that there are adequate informal controls over the operations of the company which requires to be documented based on the requirements of Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

**Opinion**

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer do not affect our opinion on the standalone financial statements of the Company.

**For Parekh Sharma & Associates**

**Chartered Accountants**

Firm Regn. No. 129301W

**Sujesh Sharma**

Partner

M. No. : 118944

Place: Mumbai

Date: 30<sup>th</sup> May, 2018

## Balance Sheet as at 31st March, 2018

Amount in ₹

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	194,245,366	196,242,218	205,189,955
Other intangible assets	3	698	6,390	12,082
Financial assets				
- Investments	4	258,149,623	201,016,054	216,624,084
- Loans	5	22,737,970	38,918,200	38,918,200
- Others financial assets	6	5,218,015	7,818,015	7,818,015
Non-current tax assets (Net)	7	10,764,460	10,593,536	11,701,263
Other non-current assets	8	3,419,531	2,590,482	2,611,391
<b>Current assets</b>				
Inventories	9	-	-	308,268
Financial assets				
- Investments	10	232,750,349	260,436,245	227,328,984
- Cash and cash equivalents	11	371,264	388,458	312,511
- Others financial assets	12	91,672	6,298,108	2,803,579
Others current assets	13	2,444,654	733,639	1,164,988
<b>Total assets</b>		<b>730,193,602</b>	<b>725,041,345</b>	<b>714,793,320</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	130,955,070	130,955,070	130,955,070
Other equity	15	593,105,483	586,327,023	578,331,130
<b>Total equity</b>		<b>724,060,553</b>	<b>717,282,093</b>	<b>709,286,200</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Trade payables	16	1,178,542	1,178,543	1,178,543
Provisions	17	877,669	1,056,026	525,806
<b>Total non-current liabilities</b>		<b>2,056,211</b>	<b>2,234,569</b>	<b>1,704,349</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	18	1,940,077	2,694,885	1,401,986
- Trade payables	19	32,293	901,112	915,186
- Other financial liabilities	20	233,300	340,148	10,000
Other current liabilities	21	1,755,689	1,452,041	1,320,591
Provisions	22	115,478	136,497	155,008
<b>Total current liabilities</b>		<b>4,076,838</b>	<b>5,524,683</b>	<b>3,802,771</b>
<b>Total equity and liabilities</b>		<b>730,193,602</b>	<b>725,041,345</b>	<b>714,793,320</b>

Significant accounting policies 1

The accompanying notes are an integral part of these financial statements

As per our report of even date attached  
For Parekh Sharma & Associates

Chartered Accountants  
Firm Regn. No. 129301W

Sujesh Sharma  
Partner

M.No. :118944  
Mumbai : 30 May, 2018

For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Executive Chairman  
(DIN: 00270717)

Nimis Sheth  
Director  
(DIN: 00482739)

Nidhi Salampuria  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018

Santosh Khandelwal  
Chief Financial Officer

## Statement of Profit and Loss for year ended 31st March, 2018

Amount in ₹

Particulars	Note No	For The Year Ended 31st March, 2018	For The Year Ended 31st March, 2017
<b>I</b> Revenue from operations	23	1,548,090	868,367
<b>II</b> Other income	24	25,664,175	38,697,775
<b>III Total income ( I + II )</b>		<b>27,212,265</b>	<b>39,566,142</b>
<b>IV Expenses</b>			
Cost of materials consumed		-	-
Changes in inventories of finished goods and work-in-progress		-	-
Employee benefits expense	25	8,087,690	10,184,261
Finance costs	26	184,495	212,054
Depreciation and amortization expense	2 - 3	2,002,544	3,626,466
Other expenses	27	19,952,802	20,930,690
<b>Total expenses</b>		<b>30,227,531</b>	<b>34,953,471</b>
<b>V Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>(3,015,266)</b>	<b>4,612,671</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(Loss) Before Tax (V-VI)</b>		<b>(3,015,266)</b>	<b>4,612,671</b>
<b>VIII Tax expense</b>	28		
Current tax		800,000	-
Deferred tax		-	-
<b>IX Profit / (Loss) for the year (VII-VIII)</b>		<b>(3,815,266)</b>	<b>4,612,671</b>
<b>X Other Comprehensive Income</b>	29		
(i) <b>Items that will not be reclassified to statement of profit and loss</b>			
- Re-measurement gains/(losses) on defined benefit plans		(259,765)	(294,917)
- Fair value gains/ (losses) on Equity instruments		10,853,491	3,678,139
- Income tax effect on above			
(ii) <b>Items that will be reclassified to statement of profit and loss</b>			
- Debt instruments through Other Comprehensive Income		-	-
- Income tax effect on above		-	-
<b>Total Other Comprehensive Income</b>		<b>10,593,726</b>	<b>3,383,222</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>6,778,460</b>	<b>7,995,893</b>
(Comprising profit and other comprehensive income for the year)			
<b>Earnings per equity share</b>	30		
Basic (in Rs)		(0.29)	0.35
Diluted (in Rs)		(0.29)	0.35
Significant accounting policies	1		
The accompanying notes are an integral part of these financial statements			

As per our report of even date attached  
For Parekh Sharma & Associates

Chartered Accountants  
Firm Regn. No. 129301W

Sujesh Sharma

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Executive Chairman  
(DIN: 00270717)

Nimis Sheth  
Director  
(DIN: 00482739)

Nidhi Salampuria  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018

Santosh Khandelwal  
Chief Financial Officer

## Cash Flow Statement for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax	(3,015,266)	4,612,671
<b>Adjustments for:</b>		
Depreciation and amortization	2,002,544	3,626,466
Finance Cost	184,495	212,054
Interest received	(4,973,386)	(4,362,092)
Dividend received	(2,944,787)	(771,991)
Remeasurement of employee benefit	(259,765)	(294,917)
Unrealised gain on investments measured at Fair Value through OCI (Net)	10,853,491	3,678,139
(Gain)/loss on sale of assets	-	(464,685)
(Gain)/loss on sale of Investments	(64,453,878)	(10,893,346)
Unrealised gain/loss on investment	46,734,020	(22,094,377)
<b>Operational Profit before Working Capital changes</b>	<b>(15,872,533)</b>	<b>(26,752,079)</b>
<b>Adjustments for changes in Working Capital :</b>		
(Increase) / Decrease in Inventories	-	308,268
(Increase) / Decrease in other current financial assets	8,806,436	(3,494,529)
Increase / (Decrease) in other current assets	(1,711,016)	431,349
Increase / (Decrease) in Trade payables	(868,820)	(14,074)
(Increase) / Decrease in other current financial liabilities	(106,848)	330,148
(Increase) / Decrease in other current liabilities	104,272	643,159
	<b>6,224,025</b>	<b>(1,795,679)</b>
<b>Cash from/ (used) in operating activities</b>	<b>(9,648,508)</b>	<b>(28,547,757)</b>
Direct taxes paid, net	970,924	(1,107,727)
<b>NET CASH FROM/ (USED) IN OPERATING ACTIVITIES</b>	<b>(10,619,432)</b>	<b>(27,440,031)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	-	(121,390)
Proceeds from sale of fixed Property, plant and equipment	-	5,913,038
Proceeds from (Purchase) / Sale of investments	(11,727,815)	15,488,493
Dividend received	2,944,787	771,991
Interest received	4,973,386	4,362,092
Proceeds / (repayment) of loans and deposits	(829,049)	20,909
<b>NET CASH FROM/ (USED) IN INVESTING ACTIVITIES</b>	<b>(4,638,691)</b>	<b>26,435,133</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) of Short-term Borrowings	(754,808)	1,292,899
Proceeds/(Repayment) of Long-term Borrowings	16,180,230	-
Finance Cost	(184,495)	(212,054)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>15,240,928</b>	<b>1,080,845</b>
<b>D. NET CASH FLOWS DURING THE YEAR (A+B+C)</b>	<b>(17,195)</b>	<b>75,947</b>
<b>E. Cash and cash equivalents at the beginning</b>	<b>388,458</b>	<b>312,511</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE END (D+E)</b>	<b>371,264</b>	<b>388,458</b>
<b>G. CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Cash on hand	100,960	370,558
Cheques on hand	-	-
Balances with banks in current accounts	270,303	17,900
<b>CASH AND CASH EQUIVALENTS AS PER NOTE</b>	<b>371,264</b>	<b>388,458</b>

As per our report of even date attached  
For Parekh Sharma & Associates

Chartered Accountants  
Firm Regn. No. 129301W

Sujesh Sharma

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Executive Chairman  
(DIN: 00270717)

Nimis Sheth  
Director  
(DIN: 00482739)

Nidhi Salampuria  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018

Santosh Khandelwal  
Chief Financial Officer

**Statement of Change in Equity for the year ended 31st March, 2018**

Equity						Amount in ₹
Particulars	As at 1st April, 2016	Change in Equity share capital during the year	As at 31st March, 2017	Change in Equity share capital during the year	As at 31st March, 2018	
Equity share capital	130,955,070	-	130,955,070	-	130,955,070	

**Other Equity**

Particulars	Reserve and Surplus		Items of Other Comprehensive Income		Total
	General Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
			Equity instruments	Other Items	
<b>Balance as at 1st April 2016</b>	493,925,098	55,454,818	28,951,214	-	578,331,130
Profit for the year	-	4,612,671	-	-	4,612,671
Transfer from retained earnings to reserves	-	-	-	-	-
Transfer from OCI reserve to retained earnings	-	9,387,835	(9,387,835)	-	-
Re-measurement of gain/(loss) on defined benefit plans (Net of tax)	-	-	-	(294,917)	(294,917)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	-	-	3,678,139	-	3,678,139
<b>Balance as at 31st March 2017</b>	<b>493,925,098</b>	<b>69,455,324</b>	<b>23,241,518</b>	<b>(294,917)</b>	<b>586,327,023</b>
Profit for the year	-	(3,815,266)	-	-	(3,815,266)
Transfer from retained earnings to reserves	-	-	-	-	-
Transfer from OCI reserve to retained earnings	-	381,050	(381,050)	-	-
Re-measurement of gain/(loss) on defined benefit plans (Net of tax)	-	-	-	(259,765)	(259,765)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	-	-	10,853,491	-	10,853,491
<b>Balance as at 31st March 2018</b>	<b>493,925,098</b>	<b>66,021,108</b>	<b>33,713,959</b>	<b>(554,682)</b>	<b>593,105,483</b>

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

**As per our report of even date attached  
For Parekh Sharma & Associates**

Chartered Accountants  
Firm Regn. No. 129301W

**Sujesh Sharma**

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

**For and on behalf of the Board of Directors**

**Gautam P. Khandelwal**  
Executive Chairman  
(DIN: 00270717)

**Nimis Sheth**  
Director  
(DIN: 00482739)

**Nidhi Salampuria**  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018

**Santosh Khandelwal**  
Chief Financial Officer

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018****Note - 1 Significant Accounting Policies****1. Corporate Information**

Nagpur Power And Industries Limited ('NPIL' or 'The Company') is a limited Company incorporated and domiciled in India.

The Company is a public limited company and its equity shares are listed with Bombay Stock Exchange ("BSE") in India.

The registered office of the Company is situated at 20<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai- 400021.

**2. Statement of Compliance**

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2017 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1<sup>st</sup> April, 2016. The Company has availed first time adoption exemption as per Ind AS 101 (Refer Note 34 for details).

Upto the year ended 31<sup>st</sup> March 2016, the Company prepared its financial statements in accordance with previous GAAP, which includes Standards notified under the relevant provisions of Companies Act, 2013 as applicable and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

In these financial statements for the year ended 31<sup>st</sup> March, 2018, the financial statements for the previous year 31<sup>st</sup> March, 2017 and Balance Sheet as at 1<sup>st</sup> April, 2016 have been prepared and presented as per IND AS for like-to-like comparison.

**3. Basis of Preparation**

The financial statements of the Company have been prepared and presented on the going concern basis and at historical cost except for the following assets and liabilities which have been measure at fair value.

- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments)
- Employee's Defined Benefit Plan as per actuarial valuation

**4. Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**5. Use of Estimates**

The preparation of financial statements in conformity with the Indian Accounting Standards requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosures of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**6. Classification of Assets and Liabilities as Current and Non-Current**

All assets and liabilities are classified as current and non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

**7. Overall Consideration**

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

**8. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- Sales are recognized on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods.

It also includes excise duty (as it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not) and price variation based on the contractual agreement.

It measured at fair value of the consideration received net of sales tax/ value added tax and discounts.

- Dividend Income is recognized in the Statement of Profit and Loss only when the right to receive the income is established.
- Interest income is recognized using time proportion method based on the rates implicit in the transaction and the amount outstanding.

#### 9. Property Plant and Equipment

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the assets to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognized as an assets if, and only if, it is probable that the economic benefits associated with the item will flow the Company in future periods and the item can be measured reliably. However, cost of excludes indirect taxes to the extent credit of the duty or tax is availed as set off.

Items such as a spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in the Statement of Profit and Loss.

Capital Advance given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under Other Non-current Assets.

Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

#### 10. Depreciation and Amortization

Depreciation is recognized on a straight-line basis, based on the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013, except in respect of certain category of assets, where useful life is exceeding those prescribed in Schedule II based on the Chartered Engineer's Valuation Certificate namely:

Assets where useful life differs from Schedule II:

Description	Range of Useful lives in years
Buildings	3 – 10 years
Plant & Equipment	7 - 10 years
Heavy Vehicle	2 years
Office Equipment's	3 - 4 years
Railway Siding	7 years

Depreciation on assets purchased / sold during the period is proportionately charged. The residual value for all the

above assets are retained at 5% of the cost. Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.

#### 11. Intangible Assets

Intangible assets are stated at cost of acquisition, less accumulated amortization/ depletion and accumulated impairment losses, if any, are amortized over a period of 3 years.

Expenditure incurred on development is capitalized if such expenditure leads to creation of any intangible assets, otherwise, such expenditure is charged to the Statement of Profit and Loss.

#### 12. Impairment of Assets

At end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

#### 13. Inventories

Inventories of raw materials are stated at lower of cost or net realizable value. Work in process is stated at cost. Stores, spares & tools are stated at cost except the obsolete/non usable stores, which are written off for obsolescence. Finished goods and by-products/waste products where cost is ascertainable are stated at lower of cost or net realisable value and by-products / waste products where cost cannot be determined are stated at net realisable value. The reusable waste, which is not ascertainable, is not accounted.

#### 14. Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby Profit or Loss before tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents include cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

#### 15. Segment reporting

The Company is principally engaged in extraction of 'High / Medium / Low Carbon Ferro Manganese and Silico Manganese Slag' which is the only Operating reportable segment as per IND AS 108.

#### 16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs.

#### 17. Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

At end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange difference on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise.

#### 18. Income Taxes

Tax expense recognized in the Statement of Profit and Loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.



Deferred income taxes are calculated using the Balance Sheet approach on temporary differences between the carrying amounts of assets and liabilities in financial statements and the amount used for taxation purposes.

Deferred taxes pertaining to items recognized in other comprehensive income (OCI) are disclosed under OCI.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future tax liability. This is assessed based on the Company's forecast of future earnings, excluding non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies some exemptions.

Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for specified period of time, hence, it is presented as Deferred Tax Assets.

As a result of these exemptions the Company does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

## 19. Employee Benefits

### Short-term obligations:

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognised up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

### Other Long-term obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service.

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains / losses, if any, are recognised immediately in Statement of Profit and Loss.

### Defined Contribution Plans:

Contribution payable to recognised provident funds, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, as they are incurred.

### Defined Benefit Plan:

The obligation in respect of defined benefit plan, which covers Gratuity, is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

Re-measurement, 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 recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in OCI Reserve and will not be reclassified to Statement of Profit and Loss.

### Bonus Payable:

The Company recognised a liability and an expense for bonus. The Company recognised a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 20. Lease

### Finance Lease

#### As a Lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such

assets are amortised over the period of lease or estimated life of such asset, whichever is lower. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

#### **Operating Lease**

##### **As a Lessee:**

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

##### **As a Lessor:**

Where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

#### **21. Trade receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

#### **22. Provisions and contingent liabilities**

##### **Provisions:**

A Provision is recorded when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

##### **Contingent liabilities:**

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Show cause notices are not considered as Contingent Liabilities unless converted into demand.

##### **Contingent Assets:**

Contingent assets are not recognised in the financial statements since this may result in recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related assets is not a contingent assets and is recognised.

#### **23. Investment in Subsidiaries**

The investments in subsidiaries are carried in these financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations.

When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in a subsidiary, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Any retained portion of an investment in a Subsidiary that has not been classified as held for sale continues to be accounted for at historical cost.

**24. Financial Instruments****Initial Recognition and Measurement:**

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through Statement of Profit and Loss which are measured initially at fair value.

Trade receivables are recognised at their transaction value as the same do not contain significant financing component.

Trade payable is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value as the same do not contain significant financing component.

**Classification and Subsequent Measurement:****Financial Assets:**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both

- (a) Business model for managing the financial assets, and
  - (b) The contractual cash flow characteristics of the financial asset
- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
  - (ii) 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.
- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
  - (ii) 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 shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI (FVTOCI). All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Equity Investments:**

Equity investments in Subsidiaries and Associates are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries at cost. All other equity investments are measured at fair value.

Equity instruments, which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the company has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

**Derecognition of financial assets:**

The Company derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit and loss.

**Financial Liabilities and Equity Instruments****Classification as Debt or Equity:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments:**

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

**Financial liabilities:**

Financial liabilities are classified, at initial recognition:

- at fair value through Profit or Loss,
- Loans and borrowings, Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent Measurement:**

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

**Financial Liabilities at FVTPL:**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

**Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Derecognition of Financial Liabilities:**

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

**25. Earnings per share**

Basic earnings per share are calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Net Profit or Loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

## Notes to Financials Statements for the year ended 31st March, 2018

**Note - 2**  
**Property, plant and equipment**  
**F.Y. 2017-18**

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value	
		As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	For the year Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
(a)	<b>Land :</b> Freehold	181,251,700	-	-	181,251,700	-	-	181,251,700	181,251,700
(b)	<b>Buildings :</b> Own use	27,532,563	-	-	27,532,563	1,281,744	-	10,279,907	11,561,651
(c)	Plant and equipment	4,702,830	-	-	4,702,830	133,805	-	667,373	801,178
(d)	Furniture and fixtures	705,673	-	-	705,673	59,101	-	104,492	163,593
(e)	Vehicles	3,830,346	-	-	3,830,346	105,674	-	701,105	806,779
(f)	Office equipment	2,243,644	-	-	2,243,644	213,728	-	333,962	547,690
(g)	Computers	1,237,414	-	-	1,237,414	13,167	-	69,042	82,209
(h)	Railway sidings	5,377,766	-	-	5,377,766	189,633	-	837,785	1,027,418
	<b>Total</b>	<b>226,881,936</b>	<b>-</b>	<b>-</b>	<b>226,881,936</b>	<b>1,996,852</b>	<b>-</b>	<b>194,245,366</b>	<b>196,242,218</b>

**F.Y. 2016-17**

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value	
		As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	For the year Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
(a)	<b>Land :</b> Freehold	181,251,700	-	-	181,251,700	-	-	181,251,700	181,251,700
(b)	<b>Buildings :</b> Own use	36,891,874	-	9,359,311	46,251,185	1,923,995	8,269,956	11,561,651	14,575,001
(c)	Plant and equipment	25,496,511	-	20,793,681	46,290,192	789,789	16,434,683	801,178	5,949,965
(d)	Furniture and fixtures	705,673	-	-	705,673	68,029	-	163,593	231,622
(e)	Vehicles	3,834,458	-	4,112	3,838,570	212,703	4,112	806,779	1,019,482
(f)	Office equipment	2,122,254	121,390	-	2,243,644	415,827	-	547,690	842,127
(g)	Computers	1,237,414	-	-	1,237,414	20,798	-	82,209	103,007
(h)	Railway sidings	5,377,766	-	-	5,377,766	189,633	-	1,027,418	1,217,051
	<b>Total</b>	<b>256,917,650</b>	<b>121,390</b>	<b>30,157,104</b>	<b>226,881,936</b>	<b>3,620,774</b>	<b>24,708,751</b>	<b>196,242,218</b>	<b>205,189,955</b>

**Notes to Financials Statements for the year ended 31st March, 2018**

**Note - 3  
Other Intangible assets  
F.Y. 2017-18**

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value	
		As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	For the year Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
(a)	Computer software	18,000	-	-	18,000	5,692	-	17,302	6,390
	<b>Total</b>	<b>18,000</b>	<b>-</b>	<b>-</b>	<b>18,000</b>	<b>5,692</b>	<b>-</b>	<b>17,302</b>	<b>6,390</b>

**F.Y. 2016-17**

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value	
		As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	For the year Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
(a)	Computer software	18,000	-	-	18,000	5,692	-	11,610	12,082
	<b>Total</b>	<b>18,000</b>	<b>-</b>	<b>-</b>	<b>18,000</b>	<b>5,692</b>	<b>-</b>	<b>11,610</b>	<b>12,082</b>

**Notes to Financials Statements for the year ended 31st March, 2018**

Amount in ₹

**Note - 4**

**Non-Current Financial Assets - Investments**

Particulars	Numbers				
	Face Value	As at 31st March 2018	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Investment in Equity Instruments</b>					
<b>Unquoted</b>					
<b>Subsidiaries: Carried at Cost</b>					
The Motwane Manufacturing Co. Pvt. Ltd	100	340130	198,429,090	151,986,590	151,986,590
			198,429,090	151,986,590	151,986,590
<b>Quoted</b>					
<b>Others: Carried at Fair Value through Other Comprehensive Income (FVTOCI)</b>					
ACC Limited	10	-	-	-	967,330
Ashok Leyland	1	-	-	-	868,800
Axis Bank Ltd.	2	-	-	-	3,197,880
Ballarpur Industries Limited	2	-	-	-	782,000
BASF India Ltd	10	800	1,538,680	1,096,680	702,000
Cairn India Ltd	10	-	-	1,376,325	692,325
Crompton Greaves Con. Elec. Ltd.	2	-	-	-	12,000
Crompton Greaves Ltd	2	-	-	-	293,100
Dish Tv Ltd.	1	-	-	-	433,500
Electrosteel Steels Limited	10	260,000	624,000	-	-
Globus Spirits Ltd.	10	-	-	1,349,148	1,628,750
HDFC Bank Ltd.	2	-	-	1,442,550	1,606,725
HDFC Ltd.	2	3,000	5,476,800	3,304,620	3,537,920
Hindalco Industries Ltd.	1	15,500	3,325,530	1,657,925	747,575
IDFC Bank	10	7,500	355,125	652,300	530,200
IDFC Ltd.	10	-	-	-	444,950
Indian Hotel Co. Ltd.	1	-	-	-	1,903,798
Indo Solar	10	-	-	340,000	-
Infosys Ltd.	5	-	-	2,146,725	-
ITC Limited	1	7,500	1,916,250	2,102,250	1,641,250
Jamna Auto Industries Ltd	5	-	-	-	765,600
Kotak Mahindra Bank Ltd.	5	9,500	9,954,100	6,977,600	5,445,200
Larsen & Toubro Ltd.	2	5,550	7,275,495	457,505	4,015,110
M&M Financial Services Ltd.	2	-	-	-	1,016,468
Mahindra & Mahindra Ltd.	5	15,050	11,120,445	9,683,923	9,110,518
Mahindra Holiday	10	-	-	-	773,100
Marico Limited	1	-	-	-	1,710,100
Nitco Ltd	10	-	-	-	394,500
Petronet LNG Ltd.	10	14,000	3,233,300	2,822,050	1,755,250
Pidilite Industries Ltd.	1	-	-	-	2,357,200
Power Grid Corp. of India Ltd.	10	22,773	4,400,883	4,493,113	3,167,724
State Bank of India	1	-	-	-	2,913,750
Tata Communication Ltd.	10	3,600	2,232,540	2,599,380	-
Tata Consultancy Services Ltd.	1	2,400	6,837,960	5,836,320	6,048,720
Tech Mahindra Ltd.	10	-	-	-	2,274,061
Torrent Power	10	-	-	691,050	695,700

Amount in ₹

**Notes to Financials Statements for the year ended 31st March, 2018**

Ultratech Cement	10	-	-	-	368,078
VA Tech Wabg Ltd	2	-	-	-	309,973
Vedanta Ltd	1	4,500	1,250,325	-	-
Voltas Ltd	1	-	-	-	834,300
Yes Bank Limited	10	-	-	-	692,040
			<b>59,541,433</b>	<b>49,029,464</b>	<b>64,637,494</b>

**Investment in Preference Shares****Unquoted**

7.5% Non convertible Non cumulative Redeemable Preference shares of Vedanta Ltd.

10	18,000	179,100	-	-
		179,100	-	-
		<b>258,149,623</b>	<b>201,016,054</b>	<b>216,624,084</b>

**Total****Other Details:****i Aggregate Book Value of:****Particulars**

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Quoted Investments	59,541,433	49,029,464	64,637,494
Unquoted Investments	198,608,190	151,986,590	151,986,590
	<b>258,149,623</b>	<b>201,016,054</b>	<b>216,624,084</b>
Aggregate Market Value of Quoted Investments	59,541,433	49,029,464	64,637,494
Aggregate Impairment in Value of Investments	-	-	-

**ii Disclosure requirement of Ind AS 107- Financial Instruments : Disclosure:****Equity Instrument (Other than Subsidiary and Associates) designated at FVTOCI:**

These Investment have been designated on initial recognition to be measured at FVTOCI as these are long-term investment are not intended for sale.

**iii Investment in Subsidiaries :**

The Company opted to measure its investments in Subsidiary and Associate at Cost in terms of the exemption available in Ind AS 101 - First Time Adoption of Ind AS. Accordingly, the book value of Investments in Subsidiary and Associate as on 1st April, 2016 (The transition date), as per previous GAAP has been now considered as deemed cost.

**Particulars****Subsidiary :**

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
	<b>Nos. of Eq. shares</b>	<b>Nos. of Eq. shares</b>	<b>Nos. of Eq. shares</b>
<b>The Motwane Manufacturing Co. Pvt. Ltd</b>			
As at beginning of the year	247,245	247,245	247,245
Add: Allotted during the year	92,885	-	-
Less: Transferred during the year	-	-	-
As at end of the year	340,130	247,245	247,245

During the previous year, pursuant to the Right issue, The Motwane Manufacturing Co. Pvt. Ltd. has allotted total 92885 nos. of equity shares (face value of Rs. 100/- each) @ Rs. 500/- each including premium of Rs. 400/- per shares. The Company has settled ICD of Rs. 25,058,730/- along with accrued Interest of Rs. 10,262,270/- against share application money.



Amount in ₹

**Notes to Financials Statements for the year ended 31st March, 2018**

Particulars	As at		As at
	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note - 5</b>			
<b>Non-Current Financial Assets - Loans</b>			
<b>(Unsecured Considered Good unless otherwise stated)</b>			
Loans to Related Parties	22,737,970	38,918,200	38,918,200
<b>Total</b>	<b>22,737,970</b>	<b>38,918,200</b>	<b>38,918,200</b>

Disclosure as per Regulation 34 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013 :

**Loans given to Subsidiary:**

Name of Companies	As at 31st March, 2018		As at 31st March, 2017	
	Maximum	Amount	Maximum	Amount
	Balance	Outstanding	Balance	Outstanding
<b>Subsidiaries:</b>				
The Motwane Manufacturing Co. Pvt. Ltd**	38,918,200	22,737,970	38,918,200	38,918,200

Interest rate 10% P.A.. Repayable on demand.

The loan has been utilised for meeting their business requirements.

\*\*Excluding interest accrued on ICD which has been separately shown in note no. 12.

**Note - 6****Non-Current Financial Assets - Other Financial Assets****(Unsecured Considered Good unless otherwise stated)**

Fixed Deposits with Banks	5,218,015	5,218,015	5,218,015
Advances recoverable	-	2,600,000	2,600,000
<b>Total</b>	<b>5,218,015</b>	<b>7,818,015</b>	<b>7,818,015</b>

**Note - 7****Non-Current Financial Assets - Non-current tax assets (Net)**

Provision for taxation	(800,000)	-	(82,904,213)
Income tax paid	11,564,460	10,593,536	94,605,476
<b>Total</b>	<b>10,764,460</b>	<b>10,593,536</b>	<b>11,701,263</b>

**Note - 8****Non-Current Financial Assets - Other non-current assets**

Security deposits	1,250,965	1,245,965	1,250,465
Balance with government authorities	1,356,668	529,817	529,949
Prepaid expenses	811,898	814,701	830,977
<b>Total</b>	<b>3,419,531</b>	<b>2,590,482</b>	<b>2,611,391</b>

## Notes to Financial Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note - 9</b>			
<b>Current Financial Assets - Inventories</b>			
Raw materials	-	-	189,456
Finished goods	-	-	9,864
Others - Stores & Spares	-	-	108,948
<b>Total</b>	<b>-</b>	<b>-</b>	<b>308,268</b>

**Note - 10****Current Financial Assets - Investments****Carried at Fair Value through Profit and Loss****Quoted**

Investment in Mutual Funds	208,584,604	241,570,477	217,893,914
Investment in Equity Instruments	24,165,745	18,865,768	9,435,070
<b>Total</b>	<b>232,750,349</b>	<b>260,436,245</b>	<b>227,328,984</b>

**Other Details:****(i) Aggregate Book Value of:**

Quoted Investments	232,750,349	260,436,245	227,328,984
Unquoted Investments	-	-	-
	<b>232,750,349</b>	<b>260,436,245</b>	<b>227,328,984</b>
Aggregate Market Value of Quoted Investments	232,750,349	260,436,245	227,328,984
Aggregate Impairment in Value of Investments			

**Note - 11****Current Financial Assets - Cash and cash equivalents**

Balance with bank			
In Current accounts	270,303	17,900	49,725
Cash on hand	100,960	370,558	262,786
<b>Total</b>	<b>371,263</b>	<b>388,458</b>	<b>312,511</b>

**Note - 12****Current Financial Assets - Other financial assets**

Interest receivables on ICD	5,608	6,221,397	2,718,759
Interest receivables on others	86,064	76,711	84,820
<b>Total</b>	<b>91,672</b>	<b>6,298,108</b>	<b>2,803,579</b>

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	As at		As at	
	31st March, 2018	31st March, 2017	31st March, 2017	1st April, 2016
<b>Note - 13</b>				
<b>Current Financial Assets - Other current assets</b>				
<b>(Unsecured Considered Good unless otherwise stated)</b>				
Advances to employees	3,500	46,500		7,500
Advances to supplier of service / goods	2,441,154	687,139		1,157,488
<b>Total</b>	<b>2,444,654</b>	<b>733,639</b>		<b>1,164,988</b>

**Note - 14****Equity Share Capital :**

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Number	Value	Number	Value	Number	Value
<b>Authorized Capital</b>						
Equity Shares of Rs. 10/- each	20,000,000	200,000,000	20,000,000	200,000,000	20,000,000	200,000,000
Unclassified Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and Paid-up</b>						
Equity Shares of Rs. 10/- each fully paid up	13,095,507	130,955,070	13,095,507	130,955,070	13,095,507	130,955,070
<b>Total</b>	<b>13,095,507</b>	<b>130,955,070</b>	<b>13,095,507</b>	<b>130,955,070</b>	<b>13,095,507</b>	<b>130,955,070</b>

**a Reconciliation of the Number of Equity Shares Outstanding is set out below:**

	Number of Shares		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity shares at the beginning of the year	13,095,507	13,095,507	13,095,507
Add: Shares issued during the year	-	-	-
Lees: Shares cancelled / bought back during the year	-	-	-
Equity shares at the end of the year	13,095,507	13,095,507	13,095,507

b The Equity shares of the Company having voting rights and are subject to the restriction as prescribed under the Companies Act, 2013.

c The Company has no holding company. The subsidiary company does not hold any shares in the company.

d Disclosure pursuant to Note no. 6(D) (h,i,j,k,l) of Part I of Schedule III of Companies Act, 2013 is NIL.

**e Shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Number	% of holdings	Number	% of holdings	Number	% of holdings
Khandelwals Limited*	5,641,100	43.08	5,641,100	43.08	5,641,100	43.08
Life Insurance Corporation of India Ltd.	1,585,094	12.10	1,585,094	12.10	1,585,094	12.10

\*Khandelwals Limited is registered outside India i.e. 10 Orange Street, London, United Kingdom

## Notes to Financials Statements for the year ended 31st March, 2018

## Note - 15

## Other Equity

Amount in ₹

Particulars	Reserve and Surplus		Items of Other Comprehensive Income		Total
	General Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
			Equity instruments	Other Items	
<b>Balance as at 1st April 2016</b>	493,925,098	55,454,818	28,951,214	-	578,331,130
Profit for the year	-	4,612,671	-	-	4,612,671
Transfer from retained earnings to reserves	-	-	-	-	-
Transfer from OCI reserve to retained earnings	-	9,387,835	(9,387,835)	-	-
Re-measurement of gain/(loss) on defined benefit plans (Net of tax)	-	-	-	(294,917)	(294,917)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	-	-	3,678,139	-	3,678,139
<b>Balance as at 31st March 2017</b>	<b>493,925,098</b>	<b>69,455,324</b>	<b>23,241,518</b>	<b>(294,917)</b>	<b>586,327,023</b>
Profit for the year	-	(3,815,266)	-	-	(3,815,266)
Transfer from retained earnings to reserves	-	-	-	-	-
Transfer from OCI reserve to retained earnings	-	381,050	(381,050)	-	-
Re-measurement of gain/(loss) on defined benefit plans (Net of tax)	-	-	-	(259,765)	(259,765)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	-	-	10,853,491	-	10,853,491
<b>Balance as at 31st March 2018</b>	<b>493,925,098</b>	<b>66,021,108</b>	<b>33,713,959</b>	<b>(554,682)</b>	<b>593,105,483</b>

## Note - 16

## Non-current liabilities - Trade Payables

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
Dues to Micro, Small and Medium Enterprises (MSME)	-	-	-
Dues to others	1,178,542	1,178,543	1,178,543
<b>Total</b>	<b>1,178,542</b>	<b>1,178,543</b>	<b>1,178,543</b>

The balance of Trade Payables are subject to confirmation.

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note - 17</b>			
<b>Non-current liabilities - Provisions</b>			
<b>Provision for Employee Benefits:</b>			
Gratuity	405,809	619,286	154,902
Leave Encashment	471,860	436,740	370,904
<b>Total</b>	<b>877,669</b>	<b>1,056,026</b>	<b>525,806</b>

**Note - 18****Current liabilities - Borrowings****Secured**

Working capital loans	1,940,077	2,694,885	1,401,986
<b>Total</b>	<b>1,940,077</b>	<b>2,694,885</b>	<b>1,401,986</b>

Note: Working capital loan is secured against term deposit with bank.

**Note - 19****Current liabilities - Trade Payables****Dues to Micro, Small and Medium Enterprises (MSME)**

Dues to others	32,293	901,112	915,186
<b>Total</b>	<b>32,293</b>	<b>901,112</b>	<b>915,186</b>

**(i) Total outstanding dues of Micro, Small and Medium Enterprises (MSME):**

The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year end.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

(ii) The balance of trade payables are subject to confirmation.

(iii) In absence of information with the Company, the name of Micro, Small and Medium Enterprises to whom the Company owes any sum together with interest outstanding for more than 30 days have not been given. The Auditors have relied upon this management representation.

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note - 20</b>			
<b>Current liabilities - Other Financial liabilities</b>			
Security deposits	233,300	340,148	10,000
<b>Total</b>	<b>233,300</b>	<b>340,148</b>	<b>10,000</b>

**Note - 21****Current liabilities - Other current liabilities**

Statutory liabilities	350,439	864,332	621,672
Advances from Customers	365,926	46,648	46,648
Other payables	225,434	272,720	342,609
Provision for Expenses	813,890	268,341	309,663
<b>Total</b>	<b>1,755,689</b>	<b>1,452,041</b>	<b>1,320,591</b>

**Movement of provisions during the year as required by****Ind AS -37 - 'Provisions, Contingent Liabilities and Contingent Assets' :**

Provision for Expenses:

Particulars	As at	As at
	31st March, 2018	31st March, 2017
<b>Balance at the beginning of the year</b>	268,342	309,663
Add: Created during the year	798,890	264,895
Less: Settled during the year	248,258	306,216
Less: Reversed during the year	5,083	-
<b>Balance at the end of the year</b>	<b>813,891</b>	<b>268,342</b>

**Note - 22****Current liabilities - Provisions****Other Provisions:**

Provision for Bonus	115,478	136,498	155,008
<b>Total</b>	<b>115,478</b>	<b>136,498</b>	<b>155,008</b>

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Note - 23</b>		
<b>Revenue from Operations</b>		
Sale of products:		
Domestic (including Excise duty)	1,144,320	693,031
<b>Other operating revenues</b>	403,770	175,336
<b>Total</b>	<b>1,548,090</b>	<b>868,367</b>

**Other Operating Revenues**

Scrap Sales (Including excise duty)	403,770	175,336
<b>Total</b>	<b>403,770</b>	<b>175,336</b>

**Note - 24****Other Income****Interest income on:**

Interest Income	477,381	470,272
Interest on ICD to Subsidiary Company	4,496,005	3,891,820

**Dividend income from:**

Investment in Mutual Funds	1,927,766	-
Investment in Equity Instruments	1,017,021	771,991

**Profit on Sale of :**

Investment (Net) - Mutual Funds units (measure at FVTPL)	58,364,113	5,059,504
Investment (Net) - Equity Instruments (measure at FVTPL)	6,089,765	5,833,842
Other Assets	-	464,685
Gain on Fair Valuation of Current Investments (Measure at FVTPL)	(46,734,020)	22,094,377
Other Non-Operating Income	26,144	111,283
<b>Total</b>	<b>25,664,175</b>	<b>38,697,775</b>

**Note - 25****Employee Benefit Expenses**

Salaries and Wages, including Bonus and Exgratia	6,671,320	8,606,518
Contribution to provident and other funds	847,671	1,178,290
Staff welfare expenses	568,699	399,453
<b>Total</b>	<b>8,087,690</b>	<b>10,184,261</b>

1. The employee benefit expenses includes the Whole Time Director's remuneration within the limit approved by share holders at Annual General Meeting held on September 28th, 2017.
2. Salaries and wages includes wages paid for material (Slag) extraction.

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
<b>Note - 26</b>		
<b>Finance Costs</b>		
Interest Expenses	178,852	207,262
Bank Charges	5,642	4,792
<b>Total</b>	<b>184,495</b>	<b>212,054</b>

**Note - 27****Other Expenses**

Advertisement and Publicity	132,612	116,408
Auditor's Remuneration	550,000	320,895
Business Promotion expenses	252,453	124,324
Conveyance	361,572	292,119
Director Sitting Fees	1,005,000	-
Insurance Charges	84,857	56,378
Legal & Consultancy Fees	2,535,794	3,048,489
Loss on sale/ discard of assets	-	1,392,815
Membership Fees	226,684	264,025
Motor car expenses	592,926	1,707,197
Office Expenses	645,284	542,923
Postage Telegram & Telephone	487,691	513,218
Power & Fuel Charges	557,432	448,312
Printing & Stationery	142,065	133,102
Rates & Taxes	2,197,642	2,261,780
Rent Charges	211,462	215,865
Repair to Buildings	27,545	43,158
Repairs to Others	991,042	622,504
Security Expenses	3,595,685	5,029,221
Sundry Balance Written Off ( Net )	2,477,253	1,891
Short provision of Income Tax in earlier years	-	1,653,491
Travelling Expenses-Director	1,072,616	880,099
Travelling Expenses-Foreign	1,237,880	662,087
Travelling Expenses-Others	204,463	209,607
Miscellaneous Expenditures	75,345	161,782
Listing Fees	287,500	229,000
<b>Total</b>	<b>19,952,802</b>	<b>20,930,690</b>

**Note - 27.1****Auditor's Remuneration (Inclusive of taxes)**

Audit Fees	324,500	208,435
For taxation matters including tax audit	-	73,585
For other services	324,500	5,750
For reimbursement of expenses	-	33,125
<b>Total</b>	<b>649,000</b>	<b>320,895</b>



## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017

## Note - 28

## Tax Expenses

## (a) Income tax expenses recognised in Statement of Profit and Loss

Current income tax for the year	800,000	-
Deferred Tax:		
Deferred income tax for the year	-	-
MAT Credit entitlement	-	-
<b>Total income tax expense recognised in statement of profit and loss for the year</b>	<b>800,000</b>	<b>-</b>

## (b) Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of comprehensive income

Particulars	Year ended 31st March, 2018
Income from continued operation before income taxes	(3,015,266)
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>	
Income exempt from tax (dividends)	(2,944,787)
Long-term Capital gain	-
Expenses not deductible in determining taxable profit- Expenses related to exempt income	1,418,070
Deferred Tax not recognised on assets	-
1/5th of Transition amount as per sec. 115JB(2C)	11,090,964
Amount of B/f Loss or Unabsorbed depreciation	(2,724,000)
<b>Taxable Income / Book Profit under MAT</b>	<b>3,824,980</b>
Indian statutory Income Tax Rate*	20.389%
<b>Estimated Income Tax expenses</b>	<b>779,875</b>
<b>Income Tax expense recognised in Statement of Profit and Loss</b>	<b>800,000</b>

\*Applicable Indian Statutory Income Tax rate for F.Y. 2017-18 is @ 30% plus surcharge and cess. However, Company is required to pay tax u/s 115JB of Income Tax Act 1961 @ 18.5% plus Surcharge and Cess.

## Note - 29

## Other Comprehensive Income (OCI)

## Items that will not be reclassified to Profit and Loss

Re-measurement gains/ (losses) on defined benefit plans	(259,765)	(294,917)
Equity Instrument through Other Comprehensive Income	10,853,491	3,678,139

## Items that will be reclassified to Profit and Loss

Debt instruments through Other Comprehensive Income	-	-
<b>Total (Net)</b>	<b>10,593,726</b>	<b>3,383,222</b>

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
<b>Note - 30</b>		
<b>Earnings per Equity Share (EPS)</b>		
Nominal value of equity shares (Rs.)	10	10
Net Profit for the year attributable to Equity Shareholders	(3,815,266)	4,612,671
Weighted Average Number of Equity Shares Outstanding during the year (Nos.)	13,095,507	13,095,507
<b>Basic earnings per equity shares (Rs.)</b>	<b>(0.29)</b>	<b>0.35</b>
Dilutive effect on profit	-	-
Net Profit for the year attributable to Equity Shareholders for computing diluted EPS	(3,815,266)	4,612,671
Dilutive effect on weighted average number of equity shares outstanding during the year	-	-
Weighted Average Number of Equity Shares for computing diluted EPS (Nos.)	13,095,507	13,095,507
<b>Diluted earnings per equity shares (Rs.)</b>	<b>(0.29)</b>	<b>0.35</b>

**Note - 31****Commitments, Contingent Liabilities and contingent assets:****(a) Contingent liabilities****Claims made against the Company/ disputed liabilities not acknowledgement as debts:****(i) Legal Claims**

- Sales Tax Demand not provided for pending outcome of appeal*	20,173,539	20,173,539
- Customs Duty Demand not provided for pending outcome of appeal	11,742,500	11,742,500
- Other Matters**	11,199,089	11,199,089
- Income Tax Matters - under appeal	934,654	1,945,121

**(ii) Guarantees**

- Guaranty provided to Dena Bank for working capital requirement of Subsidiary Company	183,850,000	183,850,000
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**(b) Capital Commitments****(c) Contingent assets**

\* Out of which documents relating to claim of Rs. 6.27 lacs are currently not available with the Company.

\*\* Out of which documents relating to claim of Rs. 30.61 lacs are currently not available with the Company.

**Note:**

In respect of Item no. (a) (i) above, the Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. Future cash outflow on (a) (i) & (ii) above is determinable only on the receipt of judgement / decision pending with respective authorities / department / Hon'ble court and or completion of negotiations / settlement.

## Notes to Financials Statements for the year ended 31st March, 2018

## Note - 32

## Provision for employee benefits

## (i) Gratuity

The Company contributes to defined benefit schemes for Gratuity which is administrated through duly constituted and approved independent trust. The liability for Gratuity and Leave encashment is determined on the basis of actuarial valuation made at the year end.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) Method as prescribed by the Ind AS-19 - 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

## (ii) Compensated Absences/Leave Encashment:

The Company also extends defined plans in the form of Compensated absences/leave encashment to employees. Provisions for compensated absences is made on actuarial valuation basis.

The company is exposed to various risks as regards its obligation towards gratuity benefit and leave salary which are as follows: (i) Interest Rate Risk, (ii) Liquidity Risk, (iii) Salary Escalation Risk, (iv) Regulatory Risk, (vii) Market Risk and (viii) Investment Risk

Particulars	Amount in ₹			
	Gratuity		Leave encashment	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017

## (i) Reconciliation of Present Value of the Obligation:

Opening Defined Benefit Obligation	4,175,552	3,818,431	436,740	370,904
<b>Adjustments of:</b>				
Current Service Cost	181,046	183,480	60,298	100,671
Interest Cost	264,793	288,643	28,557	19,966
Actuarial Loss/(Gain)	-	-	-	-
Liabilities assumed on Acquisition/(Settled on Divestiture)	-	-	-	-
Benefits Paid	(1,289,952)	(420,779)	(111,960)	(242,655)
Remeasurements - Due to Experience Adjustments	128,024	305,777	58,225	187,854
<b>Closing Defined Benefit Obligation</b>	<b>3,459,463</b>	<b>4,175,552</b>	<b>471,860</b>	<b>436,740</b>

## (ii) Reconciliation of Fair Value of the Plan Assets:

Opening Fair Value of the Plan Assets	3,556,266	3,663,529	-	-
<b>Adjustments of:</b>				
Return on Plan Assets	241,570	180,254	111,960	242,655
Actuarial Gain/(Loss)	-	-	-	-
Contributions by the Employer	619,286	122,402	-	-
Assets Acquired on Acquisition/(Distributed on Divestiture)	-	-	-	-
Benefits Paid	(1,289,952)	(420,779)	(111,960)	(242,655)
Remeasurements - Return on Assets (Excluding Interest Income)	(73,516)	10,860	-	-
<b>Closing Fair Value of the Plan Assets</b>	<b>3,053,654</b>	<b>3,556,266</b>	<b>-</b>	<b>-</b>

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

**(iii) Net Liabilities/(Assets) recognised in the Balance Sheet:**

Present Value of the Defined Benefit Obligation at the end of the period	3,459,463	4,175,552	471,860	436,740
Fair Value of the Plan Assets	3,053,654	3,556,266	-	-
<b>Net Liabilities recognised in the Balance Sheet</b>	<b>405,809</b>	<b>619,286</b>	<b>471,860</b>	<b>436,740</b>
Short term liability	570,849	1,095,336	79,848	123,009

**(iv) Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**

Current Service Cost	181,046	183,480	60,298	100,671
Interest on Defined Benefit Obligation (Net)	23,223	108,389	28,557	19,966
Net Cost	204,269	291,869	88,855	120,637
Capitalised as Pre-Operative Expenses in respect of Net Charge to the Statement of Profit and Loss	-	-	-	-
<b>Net Charge to the Statement of Profit and Loss</b>	<b>204,269</b>	<b>291,869</b>	<b>88,855</b>	<b>120,637</b>

**(v) Amount recognised in Other Comprehensive Income (OCI) for the Year:**

Changes in Financial Assumptions	-	-	-	-
Experience Adjustments	128,024	305,777	58,225	187,854
Actual return on Plan Assets less Interest on Plan Assets	73,516	(10,860)	-	-
<b>Recognised in OCI for the year</b>	<b>201,540</b>	<b>294,917</b>	<b>58,225</b>	<b>187,854</b>

**(vi) The major categories of Plan Assets as a % of total plan:**

Insurance Policies	100%	100%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>

**(vii) Experience Adjustments on Present Value of DBO and Plan Assets**

(Gain)/Loss on Plan Liabilities	128,024	305,777	58,225	187,854
% of Opening Plan Liabilities	3.07%	8.01%	13.33%	50.65%
(Gain)/Loss on Plan Liabilities	(50,293)	10,860	-	-
% of Opening Plan Liabilities	(1.41%)	0.30%	-	-

**(viii) Principal Actuarial Assumptions:**

Discount Rate	7.50%	7.50%	-	-
Salary Escalation Rate	5.00%	5.00%	-	-
Withdrawal Rate	1.00%	1.00%	-	-
Attrition Rate	-	-	1.00%	1.00%
Normal Retirement Age	60 years	60 years	60 years	60 years
Adjusted Average Future Service	7.38	7.00	-	-
Leave Encashment Rate during employment	-	-	10%	10%
Leave Availment Rate	-	-	2%	2%
Mortality Tables	Indian Assured Lives Mortality (2006-08)			

## Notes to Financials Statements for the year ended 31st March, 2018

## Note - 33

## Financial Instruments : Fair values Measurement

## (A) Accounting Classification and Fair Value Hierarchy

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments: Level 1: Inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3: If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants.

Set out below, is a comparison by category of the carrying amounts and fair value of the Company's financial instruments.

Particulars	Amount in ₹				Fair value hierarchy
	Carrying Amount			Fair Value	
	FVTPL	FVTOCI	Amortised		
<b>As on 31st March, 2018:</b>					
<b>Financial Assets</b>					
<b>Non Current:</b>					
Investments in Equity Instruments (other than Subsidiaries)	-	59,541,433	-	59,541,433	Level 1
<b>Current:</b>					
Investments in Equity Instruments	24,165,745	-	-	24,165,745	Level 1
Investments in Mutual Funds	208,584,604	-	-	208,584,604	Level 2
Cash and Cash Equivalents			371,264	371,264	-
	<b>232,750,349</b>	<b>59,541,433</b>	<b>371,264</b>	<b>292,663,046</b>	
<b>Financial Liabilities</b>					
Borrowings	-	-	1,940,077	1,940,077	-
Trade Payables	1,210,835	-	-	1,210,835	-
Other Financial Liabilities	233,300	-	-	233,300	-
	<b>1,444,135</b>	<b>-</b>	<b>1,940,077</b>	<b>3,384,212</b>	<b>-</b>

## Notes to Financials Statements for the year ended 31st March, 2018

Amount in ₹

As on 31st March, 2017:

Particulars	Carrying Amount			Fair Value	Fair value hierarchy
	FVTPL	FVTOCI	Amortised		
<b>Financial Assets</b>					
<b>Non Current:</b>					
Investments in Equity Instruments (other than Subsidiaries)	-	201,016,054	-	201,016,054	Level 1
<b>Current:</b>					
Investments in Equity Instruments	18,865,768	-	-	18,865,768	Level 1
Investments in Mutual Funds	241,570,477	-	-	241,570,477	Level 2
Cash and Cash Equivalents			388,458	388,458	-
	<b>260,436,245</b>	<b>201,016,054</b>	<b>388,458</b>	<b>461,840,756</b>	
<b>Financial Liabilities</b>					
Borrowings	-	-	2,694,885	2,694,885	-
Trade Payables	2,079,654	-	-	2,079,654	-
Other Financial Liabilities	340,148	-	-	340,148	-
	<b>2,419,802</b>	<b>-</b>	<b>2,694,885</b>	<b>5,114,687</b>	

## Key Inputs:

- Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)
- Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)
- The management assessed that fair value of cash and bank balances, trade receivables, loans, trade payables, borrowings, other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- During the reporting period ending 31st March, 2018 and 31st March, 2017, there was no transfer between Level 1 and Level 2 fair value measurement.

## Notes to Financials Statements for the year ended 31st March, 2018

### Note - 34

#### Financial Instruments : Financial Risk Management

The Company's activities exposes it to various risk such as market risk, liquidity risk and credit risks. This section explains the risks which the Company is exposed to and how it manages the risks.

The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Company's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimize potential adverse effects on the Company's financial performance.

The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarized below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	Diversification of counterparties, investment limits, check on counterparties basis credit rating and number of overdue days
Liquidity Risk	Borrowings, Trade payables, Deposits from dealers and other financial liabilities	Maturity analysis	Preparing and monitoring forecasts of cash flows and maintaining sufficient cash and cash equivalents
Market Risk- Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	Exposure limits
Market Risk- Price risk	Investment in equity instruments	Sensitivity analysis	Strategic investment
Market Risk- Interest rate risk	Security deposits	Sensitivity analysis	Periodical reset of interest rate linked to market

#### 1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and loans and advances. The carrying amount of following financial assets represents the maximum credit exposure:

##### (i) Trade receivables

Exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of

## Notes to Financials Statements for the year ended 31st March, 2018

customers to which the Company grants credit terms in the normal course of business.

However Company is providing credit period of 15 days only to some specific customers and in other case, Company has collecting advance against sales. Therefore on reporting date all debtors were realised. Accordingly, requirement of provision is not arisen.

### (ii) Financial assets other than trade receivables

Credit risk from balances with banks and financial institutions is managed by the CFO in accordance with its policy. Surplus funds are parked only within approved investment categories. Investment category is periodically reviewed by the Company's Board of Directors.

The Company held cash and cash equivalents of Rs. 3.71 Lakhs as on 31st March, 2018 (Previous year ' Rs. 3.88 Lakhs). The cash and cash equivalent's are held with bank counterparties with good credit ratings.

## 2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

### Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

#### As on 31st March, 2018

Particulars	Working Capital	Trade Payables	Other Financial
	Borrowings		Liabilities
(I) Carrying Amount	1,940,077	1,210,835	233,300
(II) Contractual Cash flow:			
Less than 12 months	1,940,077	32,293	-
More than 12 months	-	1,178,542	233,300

#### As on 31st March, 2017

Particulars	Working Capital	Trade Payables	Other Financial
	Borrowings		Liabilities
(I) Carrying Amount	2,694,885	2,079,654	340,148
(II) Contractual Cash flow:			
Less than 12 months	2,694,885	901,112	106,848
More than 12 months		1,178,543	233,300



## Notes to Financials Statements for the year ended 31st March, 2018

**Maturity profile of liquid financial assets****Surplus fund Investments in Equity, Mutual Funds, Bonds and short-term deposits etc**

Period	Carrying Amount	Less than 12 months	More than 12 months
31st March, 2018	490,899,972	260,436,245	201,016,054
31st March, 2017	461,452,298	227,328,984	216,624,084

Company's surplus funds are more than to total borrowings outstanding as on 31st March, 2018. Hence, the liquidity risk is very low.

**3 Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Management exposed to market risk primarily related to the market value of investments and interest rate risk. Thus, our exposure to market risk is function of investing and borrowing activities only.

**4 Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in interest rates.

**Exposure to interest rate risk**

Company's interest rate risk arises from borrowings. The interest rate profile the Company's interest bearing financial instruments as reported to the management of the Company

Variable rate Borrowings	31st March, 2018	31st March, 2017
	7.25%	7.90%

**Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

	As at 31st March, 2018	As at 31st March, 2017
Non Current Borrowings	-	-
Current Borrowings	1,940,077	2,694,885
<b>Gross Debts</b>	1,940,077	2,694,885
Less: Cash and cash equivalents	(371,264)	(388,458)
<b>Net Debts</b>	1,568,814	2,306,427
<b>Total Equity</b>	724,060,553	717,282,093
<b>Adjusted Net Debt to Equity ratio</b>	0.002	0.003

## Notes to Financials Statements for the year ended 31st March, 2018

## Note - 35

## Related Party Disclosures

## (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Nature of Relationship
1	Informed Technologies India Ltd.	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.
2	Zeppelin Investments Pvt. Ltd.	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.
3	The Motwane Manufacturing Co. Pvt. Ltd.	Subsidiary Company
4	Mr. Gautam Khandelwal	Key Managerial Personnel ( Director)
5	Mr. Ajit Parundekar	Key Managerial Personnel ( Director)
6	Mrs. Nidhi Salampuria	Key Managerial Personnel ( Director)
7	Mr. Virat Mehta	Key Managerial Personnel ( Director)
8	Mr. Nimis Sheth	Independent- Director
9	Mr. Girish Bakre	Independent- Director
10	Mr. Santosh Khandelwal	Chief Financial Officer

## (ii) Transactions during the year with related parties:

Sr. No.	Nature of Transactions	For the Year ended 31.03.2018				For the Year ended 31.03.2017			
		Holding Company	Subsidiaries	Key Managerial Personnel	Total	Holding Company	Subsidiaries	Key Managerial Personnel	Total
1	Sale of Services	-	-	-	-	-	-	-	-
2	Purchase of Services	-	-	-	-	-	-	-	-
3	Payment to Key Managerial Personnel - Salaries	-	-	4,181,000	4,181,000	-	-	5,676,588	5,676,588
4	Payment to Key Managerial Personnel - Siting Fees	-	-	1,005,000	1,005,000	-	-	-	-
5	Interest Expenses / Income	-	4,496,005	-	4,496,005	-	3,891,820	-	3,891,820
<b>Outstanding Balances:</b>									
1	Due to Company	-	-	-	-	-	-	-	-
2	Due by Company-ICD	-	22,737,970	-	22,737,970	-	38,918,200	-	38,918,200
3	Due by Company-Interest accrued on ICD	-	5,608	-	5,608	-	6,221,397	-	6,221,397

## Notes:

- (a) The Company does not have an exhaustive list of business or professions in which relatives of directors of the Company have substantial interest. As such, payments made to any such persons, if any have not been identified. This management representation has been relied upon by the Auditor's.
- (b) No amounts have been written off / provided for or written back during the year in respect of debts due from or to related parties.

**Notes to Financials Statements for the year ended 31st March, 2018****Note - 36****First time adoption of Ind AS**

These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared in accordance with Ind AS. For all periods up to and including the year ended 31 March 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

**(I) Mandatory Exceptions and Optional Exceptions availed:**

IND AS 101 permits first time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions and mandatory exemption under Ind AS 101:

**i Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**ii Classification and Measurement of Financial Assets:**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**iii Fair Value of Financials Assets and Liabilities:**

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

**iv Current Borrowing:**

The Company has used its Previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

**v Investments in Subsidiary:**

The Company has elected to measure its investments in subsidiary the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**Notes to Financials Statements for the year ended 31st March, 2018****vi Deemed Cost for Property, Plant and Equipment and Intangible Assets:**

The Company has elected to measure all of its property, plant and equipment and intangible assets recognised as of 1st April, 2016 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

**(II) Notes to Reconciliations****i Fair value of Non-current Investments i.e. Equity Instruments, other than Investment in Subsidiaries and Associates:**

Under Previous GAAP, long-term investments were measured at cost less diminution in value other than temporary. Under Ind AS, these financial assets have been classified as fair value through Other Comprehensive Income (FVTOCI). On the date of transition to Ind AS, these financial assets have been measure at their fair value which is higher than the cost as per the previous GAAP. Therefore carrying amount of non-current investment in equity instruments (other than investment in subsidiaries, joint venture and associates) are increase by Rs. 289 Lacs and recognised as gain in Other Comprehensive Income Reserve. These changes do not effect profit / loss before tax for the year ended 31st March, 2017 because the investments have been classified as FVTOCI.

**ii Other Comprehensive Income (OCI):**

Under Previous GAAP, there was not concept of OCI. Under Ind AS, fair valuation of Equity Investments not held for trade (other than subsidiaries) and re-measurement of defined benefit plan liability are recognised in OCI.

**iii Excise Duty:**

Under Previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products is inclusive of excise duty. Accordingly, Excise duty has been included in the cost of production, as it is a liability of the manufacturer, irrespective of whether the goods are sold or not.

**iv Defined Benefit Obligation:**

Under Previous GAAP, the actuarial gain / (loss) of defined benefit plans had been recognised in Statement of Profit and Loss. Under Ind AS, the remeasurement loss on net defined benefit plans for the year ended March, 2017 amounting to Rs. 2.94 Lacs is recognised in Other Comprehensive Income net of tax.

**(III) Disclosures as required by Indian Accounting Standards (Ind AS) 101 First Time Adoption of Indian Accounting Standards**

**The following reconciliations provide the explanations and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:**

- i Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016
- ii Effect of Ind As adoption on the Statement of Profit and Loss for the year ended 31st March, 2017
- iii Reconciliation of Equity as at 31st March, 2017
- iv Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017
- v Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2017

## Notes to Financials Statements for the year ended 31st March, 2018

## i Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016

Particulars	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	196,242,218	-	196,242,218	205,189,955	-	205,189,955
Investment property	-	-	-	-	-	-
Other intangible assets	6,390	-	6,390	12,082	-	12,082
Intangible assets under development	-	-	-	-	-	-
<b>Financial assets</b>						
- Investments	177,127,408	23,888,646	201,016,054	187,672,870	28,951,214	216,624,084
- Loans	38,918,200	-	38,918,200	38,918,200	-	38,918,200
- Others financial assets	7,818,015	-	7,818,015	7,818,015	-	7,818,015
Non-current tax assets (Net)	10,593,536	-	10,593,536	11,701,263	-	11,701,263
Other non-current assets	2,590,482	-	2,590,482	2,611,391	-	2,611,391
<b>Current assets</b>						
Inventories	-	-	-	308,268	-	308,268
<b>Financial assets</b>						
- Investments	183,319,410	77,116,835	260,436,245	171,874,166	55,454,818	227,328,984
- Cash and cash equivalents	388,458	-	388,458	312,511	-	312,511
- Bank balance other than mentioned in cash and cash equivalents	-	-	-	-	-	-
- Others financial assets	6,298,108	-	6,298,108	2,803,579	-	2,803,579
Other current assets	733,639	-	733,639	1,164,988	-	1,164,988
<b>Total Assets</b>	<b>624,035,864</b>	<b>101,005,481</b>	<b>725,041,345</b>	<b>630,387,288</b>	<b>84,406,032</b>	<b>714,793,320</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	130,955,070	-	130,955,070	130,955,070	-	130,955,070
Other equity	485,321,542	101,005,481	586,327,023	493,925,098	84,406,032	578,331,130
<b>Total equity</b>	<b>616,276,612</b>	<b>101,005,481</b>	<b>717,282,093</b>	<b>624,880,168</b>	<b>84,406,032</b>	<b>709,286,200</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
- Trade Payables	1,178,543	-	1,178,543	1,178,543	-	1,178,543
Provisions	1,056,026	-	1,056,026	525,806	-	525,806
Deferred tax liabilities (Net)	-	-	-	-	-	-
Non-current tax liabilities (Net)	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
<b>Total Non-current liabilities</b>	<b>2,234,569</b>	<b>-</b>	<b>2,234,569</b>	<b>1,704,349</b>	<b>-</b>	<b>1,704,349</b>

## Notes to Financials Statements for the year ended 31st March, 2018

<b>Current liabilities</b>						
Financial liabilities						
- Borrowings	2,694,885	-	2,694,885	1,401,986	-	1,401,986
- Trade payables	901,112	-	901,112	915,186	-	915,186
- Other Financial Liabilities	340,148	-	340,148	10,000	-	10,000
Other current liabilities	1,452,041	-	1,452,041	1,320,591	-	1,320,591
Provisions	136,497	-	136,497	155,008	-	155,008
<b>Total current liabilities</b>	<b>5,524,683</b>	<b>-</b>	<b>5,524,683</b>	<b>3,802,771</b>	<b>-</b>	<b>3,802,771</b>
<b>Total Equity and Liabilities</b>	<b>624,035,864</b>	<b>101,005,481</b>	<b>725,041,345</b>	<b>630,387,288</b>	<b>84,406,032</b>	<b>714,793,320</b>

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

## ii Effect of Ind As adoption on the Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>I Revenue from Operations</b>	868,367		868,367
<b>II Other Income</b>	25,776,465	12,921,310	38,697,775
<b>III Total Income (I + II)</b>	<b>26,644,832</b>	<b>12,921,310</b>	<b>39,566,142</b>
<b>IV Expenses</b>			
Employee benefits expense	10,479,178	(294,917)	10,184,261
Finance Costs	212,054		212,054
Depreciation and amortization expense	3,626,466		3,626,466
Other Expenses	20,930,690		20,930,690
<b>Total Expenses</b>	<b>35,248,388</b>	<b>(294,917)</b>	<b>34,953,471</b>
<b>V Profit before exceptional items and tax (III-IV)</b>	<b>(8,603,556)</b>	<b>13,216,227</b>	<b>4,612,671</b>
<b>VI Exceptional Items</b>			-
<b>VII Profit/(Loss) Before Tax (V-VI)</b>	<b>(8,603,556)</b>	<b>13,216,227</b>	<b>4,612,671</b>
<b>VIII Tax Expense</b>			
Current tax	-		-
Deferred Tax	-		-
<b>IX Profit for the year (VII-VIII)</b>	<b>(8,603,556)</b>	<b>13,216,227</b>	<b>4,612,671</b>
<b>X Other Comprehensive Income</b>			
(i) <b>Items that will not be reclassified to statement of Profit and Loss</b>			
- Re-measurement gains/(losses) on defined benefit plans	-	(294,917)	(294,917)
- Fair value gains/ (losses) on Equity instruments	-	3,678,139	3,678,139
- Income tax effect on above			
(ii) <b>Items that will be reclassified to statement of Profit and Loss</b>			
- Debt instruments through Other Comprehensive Income	-		-
- Income tax effect on above	-		-
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>3,383,222</b>	<b>3,383,222</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>	<b>(8,603,556)</b>	<b>16,599,449</b>	<b>7,995,893</b>

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

## Notes to Financials Statements for the year ended 31st March, 2018

## iii Reconciliation of Equity as at 31st March, 2017

Particulars	As at 31st March 2017	As at 1st April 2016
<b>Total Equity as reported under previous GAAP</b>	<b>616,276,612</b>	<b>624,880,168</b>
<b>Ind AS adjustments on account of</b>		
a. Fair Valuation of Investments designated through Profit and Loss	76,885,209	54,790,832
b. Fair Valuation of Investments designated through Other Comprehensive Income	23,888,646	28,951,214
c. Reclassification of actuarial loss / (gain), arising in respect of employee benefit schemes, to Other Comprehensive Income	294,917	-
d. Re-measurement gains/(losses) on defined benefit plans	(294,917)	-
e. Reversal of provision on current investment	231,626	663,986
<b>Total adjustments to equity</b>	<b>101,005,481</b>	<b>84,406,032</b>
<b>Total Equity under Ind AS</b>	<b>717,282,093</b>	<b>709,286,200</b>

## (iv) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Particulars	As at 31st March, 2017
<b>Profit as reported under previous GAAP</b>	<b>(8,603,556)</b>
<b>Ind AS adjustment on account of:</b>	
a Fair Valuation of Investments designated through FVTPL	12,921,310
b Reclassification of actuarial loss / (gain), arising in respect of employee benefit schemes, to Other Comprehensive Income	294,917
c Fair value gains/ (losses) on Equity instruments	-
d Tax adjustments on the same	-
e Prepaid rental on securities deposits amortised	-
f Finance charges charged due to Present value impact of securities deposits	-
<b>Total effect of transition to Ind AS</b>	<b>13,216,227</b>
<b>Profit for the year as per Ind AS</b>	<b>4,612,671</b>
Other Comprehensive Income for the year (Net of Tax)	3,383,222
<b>Total Comprehensive Income under Ind AS</b>	<b>7,995,893</b>

## (v) Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2017

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

## Notes to Financials Statements for the year ended 31st March, 2018

## Note - 37

## Additional Information Details :

- 1 The declaration filed under the Urban Land (Ceiling and Regulation) Act, 1976 in respect of the Company's holding in excess of the ceiling prescribed under the said Act and the application for exemption filed under section 20 of the said act, to retain these lands are under consideration of the concerned authorities.
- 2 The Company has only one reportable segment of activity namely manufacture of "High/Medium / Low Carbon Ferro Manganese and Silico Manganese Slag".
- 3 Deferred tax assets for unused tax loss carry forward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carry forwards can be utilised. However In the opinion of the management, there is no future probability of taxable profit in near future foreseeable.

## Detail of deferred tax assets (DTA) is as follows:

Particulars	Deferred Tax Assets Amount
As on 31st March, 2017	13,384,422
Add: DTA for the year	10,244,275
As on 31st March, 2018	23,628,698

- 4 Previous GAAP figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable with the current year figures.
- 5 The Principal business of the Company is manufacturing of High/Medium/Low Carbon Ferro Manganese and Silico Manganese Slag which is facing challenges. Company is considering various projects in the manufacturing sector, including therein power generation and distribution. In the mean time the Company has on temporary basis parked the surplus in Fixed Deposits, Open-ended Mutual Funds and other investments. Considering the long term business plans of the Company and the nature of the investments that the Company has made, the Company has been advised that the provisions of Non Banking Finance Company Regulation do not apply to it. Based on these, in the opinion of the Board, the Company is not a Non Banking Finance Company defined in Section 45 I(f) of the Reserve Bank of India Act, 1934 (2 of 1934). The auditor have relied upon this expert advice and the decision of the Board of Directors in this regard.

As per our report of even date attached  
For Parekh Sharma & AssociatesChartered Accountants  
Firm Regn. No. 129301W

## Sujesh Sharma

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

## For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Executive Chairman  
(DIN: 00270717)Nimis Sheth  
Director  
(DIN: 00482739)Nidhi Salampuria  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018Santosh Khandelwal  
Chief Financial Officer



**INDEPENDENT AUDITOR'S REPORT**

To

The Members of,

**NAGPUR POWER AND INDUSTRIES LIMITED**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated financial statements of **NAGPUR POWER AND INDUSTRIES LIMITED** ("the Holding Company"), and its Subsidiary, THE MOTWANE MANUFACTURING COMPANY PRIVATE LIMITED. (the Holding Company and its Subsidiary together referred to as the "Group"), which comprise the Consolidated Balance sheet as at 31 March 2018, and the consolidated Statement of profit and loss (including Other Comprehensive Income), the Consolidated cash flow statement and the Consolidated statement of changes in equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

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 including its subsidiary in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the Companies included in the Group and of its subsidiary 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 its subsidiary 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in 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 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.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in the terms of their reports referred to in sub-paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinions**

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 including the Ind AS, of the consolidated state of affairs of the Group as at 31 March 2018 and their consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### **Other Matter**

1. The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended 31 March 2017 and 31 March 2016 dated 30<sup>th</sup> May, 2017 and 27<sup>th</sup> May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS. Our opinion is not modified in respect of this matter.
2. We did not audit the financial statements of the subsidiary company, namely, The Motwane Manufacturing Company Private Limited, whose financial statements reflect total assets of Rs. 2848.32 Lacs as at 31<sup>st</sup> March 2018, total revenue of Rs. 2981.18 Lacs and net profit of Rs. 7.79 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements and other information have been audited by the other auditor whose report has been furnished to us by the management, and our opinion on the Consolidated financial statements, in so far as it relates in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the Subsidiary, as noted in Other Matter paragraph above, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and the reports of the other auditor
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated statement of Cash flows and the Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian accounting standards referred to in the Section 133 of the Companies Act, 2013 and read with relevant rules issued thereunder.
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors, of the Holding company and the reports of the Statutory auditor of its Subsidiary company, none of the directors of the group is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act ; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its Subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- 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 and based on the consideration of the report of the other Auditors on separate financial statements as also the other financial information of the Subsidiary as noted in the "Other Matter" paragraph :
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 41 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 Holding company incorporated in India during the year ended 31<sup>st</sup> March 2018.

**For Parekh Sharma & Associates**

**Chartered Accountants**

Firm Regn. No. 129301W

**Sujesh Sharma**

Partner

M. No.118944

Place: Mumbai

Date: 30<sup>th</sup> May, 2018

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018****Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statement of the Group as of and for the year ended 31<sup>st</sup> March 2018, we have audited the internal financial controls over financial reporting of Nagpur Power And Industries Limited ("the Holding Company") and in respect of Subsidiary company wherein such audit of the internal financial controls over financial reporting was carried out by other Auditor whose reports have been forwarded to us and have been appropriately dealt with us in making this report as of that date.

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

The respective Board of Directors of the Holding Company, its Subsidiary company which is incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its Subsidiary company incorporated in India 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 Companies Act, 2013.

**Auditor's Responsibility**

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

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Holding Company.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018. However it has been informed by the management of the company that there are adequate informal controls over the operations of the company which requires to be documented based on the requirements of Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

**Other Matters**

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to an associate company incorporated in India, based on the corresponding report of the auditor of such company.

**Opinion**

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Holding Company, and the disclaimer do not affect our opinion on the consolidated financial statements of the Company.

**For Parekh Sharma & Associates**  
**Chartered Accountants**  
Firm Regn. No. 129301W

**Sujesh Sharma**  
Partner  
M. No.118944

Place: Mumbai

Date: 30<sup>th</sup> May, 2018

## Consolidated Balance Sheet as at 31st March, 2018

Amount in ₹

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	217,661,236	219,550,645	231,365,442
Other intangible assets	3	193,555,678	154,636,268	154,862,492
Capital work- in-progress	4	225,000	209,921	-
Financial assets				
- Investments	5	59,720,533	49,029,464	64,637,494
- Others financial assets	6	5,393,015	7,818,015	7,818,015
Deferred tax assets (Net)	7	187,246	187,246	187,246
Non-current tax assets (Net)	8	10,764,460	10,593,536	11,701,263
Other non-current assets	9	8,393,346	8,079,817	8,676,098
<b>Current assets</b>				
Inventories	10	112,487,982	74,703,872	77,319,190
Financial assets				
- Investments	11	232,750,349	260,436,245	227,328,984
- Trade receivables	12	86,331,883	83,234,448	72,016,700
- Cash and cash equivalents	13	10,592,097	4,317,479	6,056,250
- Bank balance other than cash and cash equivalents	14	9,010,000	11,840,000	3,980,000
- Other financial assets	15	156,483	584,182	105,205
Other current assets	16	13,276,230	6,740,334	5,261,617
<b>Total Assets</b>		<b>960,505,538</b>	<b>891,961,472</b>	<b>871,315,996</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	130,955,070	130,955,070	130,955,070
Other equity	18	663,494,622	619,011,919	612,920,708
Non-controlling interest	19	6,713,991	6,366,810	7,158,395
<b>Total equity</b>		<b>801,163,683</b>	<b>756,333,799</b>	<b>751,034,173</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	20	1,112,000	1,112,000	1,112,000
- Trade payables	21	1,178,542	1,178,542	1,178,542
- Other financial liabilities	22	785,000	785,000	760,000
Provisions	23	2,306,247	3,716,772	2,233,117
<b>Total Non-current liabilities</b>		<b>5,381,789</b>	<b>6,792,314</b>	<b>5,283,659</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	24	67,221,732	57,977,459	55,775,392
- Trade payables	25	68,889,729	40,027,498	32,649,219
- Other financial liabilities	26	233,300	340,148	10,000
Other current liabilities	27	13,983,018	20,611,370	13,251,480
Provisions	28	3,632,287	9,878,884	13,312,072
<b>Total current liabilities</b>		<b>153,960,066</b>	<b>128,835,359</b>	<b>114,998,163</b>
<b>Total equity and liabilities</b>		<b>960,505,538</b>	<b>891,961,472</b>	<b>871,315,996</b>

Significant accounting policies

1

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Parekh Sharma &amp; Associates

Chartered Accountants  
Firm Regn. No. 129301W

Sujesh Sharma

Partner

M.No. :118944

Mumbai : 30 May, 2018

For and on behalf of the Board of Directors

Gautam P. Khandelwal

Executive Chairman

(DIN: 00270717)

Nimis Sheth

Director

(DIN: 00482739)

Nidhi Salampuria

Director &amp; Company

Secretary (ACS 28712)

Mumbai : 30 May, 2018

Santosh Khandelwal

Chief Financial Officer

## Consolidated Statement of Profit and Loss for year ended 31st March, 2018

Amount in ₹

Particulars	Note No	For The Year Ended 31st March, 2018	For The Year Ended 31st March, 2017
I Revenue from operations	29	298,218,060	218,920,917
II Other income	30	22,616,074	35,666,047
III <b>Total Income ( I + II )</b>		<b>320,834,134</b>	<b>254,586,964</b>
IV <b>Expenses</b>			
Cost of materials consumed	31	154,086,055	79,435,656
Changes in inventories of finished goods and work-in-progress	32	(1,554,513)	4,858,837
Excise duty	33	2,015,318	13,416,721
Employee benefits expense	34	74,203,407	72,201,571
Finance costs	35	9,965,389	8,766,648
Depreciation and amortization expense	36	18,434,502	19,367,476
Other expenses	37	66,032,755	54,371,007
<b>Total Expenses</b>		<b>323,182,913</b>	<b>252,417,916</b>
V <b>Profit /(Loss) before exceptional items and tax (III-IV)</b>		<b>(2,348,779)</b>	<b>2,169,048</b>
VI Exceptional items			
VII <b>Profit/(Loss) Before Tax (V-VI)</b>		(2,348,779)	2,169,048
VIII <b>Tax Expense</b>	38		
Current tax		800,000	-
Deferred tax		-	(54,741)
IX <b>Profit/(Loss) for the year (VII-VIII)</b>		<b>(3,148,779)</b>	<b>2,223,789</b>
X <b>Other Comprehensive Income</b>	39		
(i) <b>Items that will not be reclassified to statement of profit and loss</b>			
- Re-measurement gains/(losses) on defined benefit plans		(147,328)	(602,303)
- Fair value gains/ (losses) on Equity instruments		10,853,491	3,678,139
- Income tax effect on above			
(ii) <b>Items that will be reclassified to statement of profit and loss</b>			
- Debt instruments through Other Comprehensive Income		-	-
- Income tax effect on above		-	-
<b>Total Other Comprehensive Income</b>		<b>10,706,163</b>	<b>3,075,836</b>
XI <b>Total Comprehensive Income for the year (IX+X)</b>		<b>7,557,384</b>	<b>5,299,625</b>
<b>Profit/(Loss) attributable to:</b>			
Owners of the Company		(3,344,450)	2,925,131
Non-Controlling Interest		195,671	(701,341)
		<b>(3,148,779)</b>	<b>2,223,789</b>
<b>Other Comprehensive Income attributable to:</b>			
Owners of the Company		10,673,153	3,166,080
Non-Controlling Interest		33,010	(90,244)
		<b>10,706,163</b>	<b>3,075,836</b>
<b>Total Comprehensive Income attributable to:</b>			
Owners of the Company		7,328,703	6,091,211
Non-Controlling Interest		228,681	(791,586)
		<b>7,557,384</b>	<b>5,299,625</b>
Earnings per equity share	40		
Basic (in Rs)		(0.26)	0.22
Diluted (in Rs)	1	(0.26)	0.22

Significant accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even date attached  
For Parekh Sharma & AssociatesChartered Accountants  
Firm Regn. No. 129301W

Sujesh Sharma

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Executive Chairman  
(DIN: 00270717)Nimis Sheth  
Director  
(DIN: 00482739)Nidhi Salampuria  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018Santosh Khandelwal  
Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees	(3,344,450)	2,925,131
<b>Adjustments for:</b>		
Depreciation and amortization	18,434,502	19,367,476
Finance Cost	9,965,389	8,766,648
Interest Income	(1,109,593)	(1,306,885)
Dividend Income	(2,944,787)	(771,991)
Remeasurement of employee benefit	(147,328)	(602,303)
Unrealised gain on investments measured at Fair Value through OCI (Net)	10,853,491	3,678,139
(Gain)/loss on sale of assets	-	928,130
(Gain)/loss on sale of Investments	(64,453,878)	(10,893,346)
Unrealised gain/loss on investment	46,734,020	(22,094,377)
Tax Provision		
<b>Operational Profit before Working Capital changes</b>	<b>13,987,365</b>	<b>(3,379)</b>
<b>Adjustments for changes in Working Capital :</b>		
Inventories	(37,784,109)	2,615,318
Trade Receivables	(3,097,435)	(11,217,748)
Other current assets	(6,108,197)	(1,957,694)
Trade payables	28,862,231	7,378,279
Other current liabilities	(14,392,322)	5,740,505
<b>Cash from/ (used) in operating activities</b>	<b>(18,532,467)</b>	<b>2,555,280</b>
Direct taxes paid, net	170,924	(1,107,727)
<b>NET CASH FROM/ (USED) IN OPERATING ACTIVITIES</b>	<b>(18,703,391)</b>	<b>3,663,006</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE and Other Intangible assets (Note i below )	(18,589,348)	(12,984,794)
Proceeds from sale of PPE and Other Intangible assets (Note i below)	263,766	4,520,288
Proceeds from (Purchase) / Sale of investments (Note ii below)	34,714,685	15,488,493
Dividend received	2,944,787	771,991
Interest received	1,109,593	1,306,885
Proceeds / (repayment) of loans and deposits	2,111,470	621,281
<b>NET CASH FROM/ (USED) IN INVESTING ACTIVITIES</b>	<b>22,554,954</b>	<b>9,724,144</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares to Minority Interest by Subsidiary	314,171	(701,341)
Proceeds / (Repayment) of Short-term Borrowings	9,244,273	2,202,067
Proceeds/(Repayment) of Long-term Borrowings	-	-
Finance Cost	(9,965,389)	(8,766,648)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>(406,944)</b>	<b>(7,265,922)</b>
<b>D. NET CASH FLOWS DURING THE YEAR (A+B+C)</b>	<b>3,444,619</b>	<b>6,121,230</b>
E. Cash and cash equivalents at the beginning	<b>16,157,479</b>	<b>10,036,250</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE END (D+E)</b>	<b>19,602,097</b>	<b>16,157,479</b>
<b>G. CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Cash on hand	170,726	582,678
Cheques on hand	-	-
Balances with banks in current accounts	19,431,371	15,574,801
<b>CASH AND CASH EQUIVALENTS AS PER NOTE</b>	<b>19,602,097</b>	<b>16,157,479</b>

Notes:

- (i) Purchase of Property, Plant and Equipment includes movements of Capital Work-in-Progress during the year.  
(ii) Investments includes investments in subsidiaries and all type of investments.

As per our report of even date attached  
For Parekh Sharma & Associates

Chartered Accountants  
Firm Regn. No. 129301W

Sujesh Sharma  
Partner  
M.No. :118944  
Mumbai : 30 May, 2018

For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Executive Chairman  
(DIN: 00270717)

Nimis Sheth  
Director  
(DIN: 00482739)

Nidhi Salampuria  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018

Santosh Khandelwal  
Chief Financial Officer



## Consolidated Statement of Change in Equity for the year ended 31st March, 2018

## (A) Equity Share Capital

Amount in ₹

Particulars	As at 1st April, 2016	Change in Equity share capital during the year	As at 31st March, 2017	Change in Equity share capital during the year	As at 31st March, 2018
Equity share capital	130,955,070	-	130,955,070	-	130,955,070

## (B) Other Equity

Particulars	Reserve and Surplus		Items of Other Comprehensive Income				Total Other Equity	Non- controlling interest
	General Reserve	Retained Earnings	Equity instruments	Other OCI	Securities Premium	Items that will not be reclassified to Profit and Loss		
<b>Balance as at 01st April 2016</b>	495,328,231	(11,767,469)	28,951,214	-	100,408,732	612,920,708	7,158,395	
Profit for the year	-	2,223,789	-	-	-	2,223,789	-	
Transfer from retained earnings to reserves	-	-	-	-	-	-	-	
Transfer from OCI reserve to retained earnings	-	9,387,835	(9,387,835)	-	-	-	-	
Re-measurement of gain/(loss) on defined benefit plans	-	-	-	(602,303)	-	(602,303)	-	
Fair value gain/(loss) of equity instruments through Other Comprehensive Income	-	-	3,678,139	-	-	3,678,139	-	
Share of minority share holders	-	701,341	-	90,244	-	791,585	(791,585)	
<b>Balance as at 31st March 2017</b>	<b>495,328,231</b>	<b>545,497</b>	<b>23,241,518</b>	<b>(512,059)</b>	<b>100,408,732</b>	<b>619,011,918</b>	<b>6,366,810</b>	
Profit for the year	-	(3,148,779)	-	-	37,248,800	34,100,021	-	
Transfer from OCI reserve to retained earnings	-	381,050	(381,050)	-	-	-	-	
Transfer from retained earnings to reserves	-	-	-	-	-	-	-	
Re-measurement of gain/(loss) on defined benefit plans	-	-	-	(147,328)	-	(147,328)	-	
Fair value gain/(loss) of equity instruments through Other Comprehensive Income	-	-	10,853,491	-	-	10,853,491	-	
Additional equity issued during the year	-	-	-	-	-	-	23,700	
Share of minority share holders	-	(195,671)	-	(33,010)	(94,800)	(323,481)	323,481	
<b>Balance as at 31st March 2018</b>	<b>495,328,231</b>	<b>(2,417,904)</b>	<b>33,713,959</b>	<b>(692,397)</b>	<b>137,562,732</b>	<b>663,494,621</b>	<b>6,713,991</b>	

As per our report of even date attached  
For Parekh Sharma & AssociatesChartered Accountants  
Firm Regn. No. 129301W

## Sujesh Sharma

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

## For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Executive Chairman  
(DIN: 00270717)Nimis Sheth  
Director  
(DIN: 00482739)Nidhi Salampuria  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018Santosh Khandelwal  
Chief Financial Officer

**Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018****Note - 1 Significant Accounting Policies****1. Corporate Information**

Nagpur Power And Industries Limited ('NPIL' 'The Company') is a limited Company incorporated and domiciled in India. The Company is a public limited company and its equity shares are listed with Bombay Stock Exchange ("BSE") in India. The registered office of the Company is situated at 20<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai- 400021.

Under Companies Act, 2013 Group is defined as parent, subsidiaries, joint ventures and associates. The consolidation pertains to NPIL (hereafter holding Company) and it's Subsidiary viz.

<b>Name of the Subsidiary Companies</b>	<b>Percentage of Holding</b>
The Motwane Manufacturing Company Pvt. Ltd.	76.76%

**2. Statement of Compliance**

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2017 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1<sup>st</sup> April, 2016. The Company has availed first time adoption exemption as per Ind AS 101.

Upto the year ended 31<sup>st</sup> March 2016, the Company prepared its financial statements in accordance with previous GAAP, which includes Standards notified under the relevant provisions of Companies Act, 2013 as applicable and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

In these financial statements for the year ended 31<sup>st</sup> March, 2018, the financial statements for the previous year 31<sup>st</sup> March, 2017 and Balance Sheet as at 1<sup>st</sup> April, 2016 have been prepared and presented as per IND AS for like-to-like comparison

**3. Basis of Preparation**

The financial statements of the Company have been prepared and presented on the going concern basis and at historical cost except for the following assets and liabilities which have been measure at fair value.

- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments)
- Employee's Defined Benefit Plan as per actuarial valuation

**4. Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**5. Use of Estimates**

The preparation of financial statements in conformity with the Indian Accounting Standards requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosures of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**6. Classification of Assets and Liabilities as Current and Non-Current**

All assets and liabilities are classified as current and non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

**7. Overall Consideration**

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

**8. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- Income from services is recognised (net of Service Tax /GST as applicable) as they are rendered, based on agreement / arrangement with the concerned customers.
- Dividend Income is recognized in the Statement of Profit and Loss only when the right to receive the income is established.
- Interest income is recognized using time proportion method based on the rates implicit in the transaction and the amount outstanding.

**9. Property Plant and Equipment**

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the assets to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognized as an assets if, and only if, it is probable that the economic benefits associated with the item will flow the Company in future periods and the item can be measured reliably. However, cost of excludes indirect taxes to the extent credit of the duty or tax is availed as set off.

Items such as a spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in the Statement of Profit and Loss.

Capital Advance given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under Other Non-current Assets.

Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

**10. Depreciation and Amortization****Holding Company**

Depreciation is recognized on a straight-line basis, based on the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013, except in respect of certain category of assets, where useful life is exceeding those prescribed in Schedule II based on the Chartered Engineer's Valuation Certificate namely:

Assets where useful life differs from Schedule II:

<b>Description</b>	<b>Range of Useful lives in years</b>
Buildings	3 – 10 years
Plant & Equipment	7 - 10 years
Heavy Vehicle	2 years
Office Equipment's	3 - 4 years
Railway Siding	7 years

Depreciation on assets purchased / sold during the period is proportionately charged. The residual value for all the above assets are retained at 5% of the cost. Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.

**Subsidiary Company**

- (i) Depreciation on assets is provided at the on WDV Method - at rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except in the case of major Plant & Machinery and Dies & Moulds. Based on the internal assessment / condition of the machinery and past experience, company has considered useful life of such plant & machinery as 20 years instead of 15 years and useful life of Dies & Moulds as 20 years instead of 8 years.
- (ii) Depreciation on additions to assets is provided on a pro-rata basis from the date of acquisition or installation.
- (iii) Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.

**11. Intangible Assets****Holding Company**

Intangible assets are stated at cost of acquisition, less accumulated amortization/ depletion and accumulated impairment losses, if any, are amortized over a period of 3 years. Expenditure incurred on development is capitalized if such expenditure leads to creation of any intangible assets, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalized.

**Subsidiary Company**

- (i) Expenditure on computer software is amortized on WDV method considering the useful life of 10 years.
- (ii) Technical Know-How is amortized over period of five years from the year of commercial production.
- (iii) Research & Development Expenses are amortized over a period of five years.

**12. Impairment of Assets**

At end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

**13. Cash and Cash equivalents and Cash Flow Statement**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby Profit or Loss before tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents include cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

**14. Segment reporting****Identification of segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The CODM assesses the financial performance and position of the Group and makes strategic decisions. The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Inter-segment transfers**

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

**Unallocated items**

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

**Segment Policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

**15. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs.

**16. Foreign Exchange Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

At end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange difference on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise.

**17. Income Taxes**

Tax expense recognized in the Statement of Profit and Loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the Balance Sheet approach on temporary differences between the carrying amounts of assets and liabilities in financial statements and the amount used for taxation purposes.

Deferred taxes pertaining to items recognized in other comprehensive income (OCI) are disclosed under OCI.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future tax liability. This is assessed based on the Company's forecast of future earnings, excluding non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies some exemptions.

Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for specified period of time, hence, it is presented as Deferred Tax Assets.

As a result of these exemptions the Company does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in associates.

**18. Employee Benefits****Short-term obligations:**

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognised up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

**Other Long-term obligations:**

The liabilities for earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service.

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains / losses, if any, are recognised immediately in Statement of Profit and Loss.

**Defined Contribution Plans:**

Contribution payable to recognised provident funds, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, as they are incurred.

**Defined Benefit Plan:**

The obligation in respect of defined benefit plan, which covers Gratuity, is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

Re-measurement, 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 recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in OCI Reserve and will not be reclassified to Statement of Profit and Loss.

**Bonus Payable:**

The Company recognised a liability and an expense for bonus. The Company recognised a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**19. Trade receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

**20. Financial Instruments****Initial Recognition and Measurement:**

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through Statement of Profit and Loss which are measured initially at fair value.

Trade receivables are recognised at their transaction value as the same do not contain significant financing component.

Trade payable is in respect of the amount due on account of goods purchased in the normal course of business are recognised at their transaction value as the same do not contain significant financing component.

**Classification and Subsequent Measurement:****Financial Assets:**

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

- (a) Business model for managing the financial assets, and
- (b) The contractual cash flow characteristics of the financial asset

A Financial Asset is measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) 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 (FVTOCI) if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

- (ii) 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 shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Equity Investments:**

Equity investments in Subsidiary are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiary at cost. All other equity investments are measured at fair value.

Equity instruments, which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the company has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit and loss.

**Financial Liabilities and Equity Instruments****Classification as Debt or Equity:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments:**

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

**Financial liabilities:**

Financial liabilities are classified, at initial recognition:

- at fair value through Profit or Loss,
- loans and borrowings, payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent Measurement:**

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

**Financial Liabilities at FVTPL:**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded

derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and loss.

**Derecognition of Financial Liabilities:**

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

**21. Research and Development Expenses (R&D)**

Revenue Expenditure – Revenue expenditure incurred on R&D is capitalized and is amortized equally over a period of five years. The same is shown in Fixed Assets Schedule (PPE).

Capital Expenditure – Capital expenditure incurred on R&D is capitalized and depreciation on the same is provided for on WDV basis as per useful life mentioned in Schedule II of the Companies Act, 2013.

**22. Provisions and contingent liabilities**

**Provisions:**

A Provision is recorded when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

**Contingent liabilities:**

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Show cause notices are not considered as Contingent Liabilities unless converted into demand.

**Contingent Assets:**

Contingent assets are not recognised in the financial statements since this may result in recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related assets is not a contingent assets and is recognised.

**23. Earnings per share**

Basic earnings per share are calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Net Profit or Loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.



Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Note - 2

Property, plant and equipment

F.Y. 2017-18

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value		
		As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
(a)	<b>Land :</b> Freehold	186,846,260	-	-	186,846,260	-	-	-	186,846,260	186,846,260
(b)	<b>Buildings :</b> Own use	32,243,604	-	-	32,243,604	18,288,323	1,514,570	-	19,802,893	12,440,711
(c)	Plant and equipment	58,233,428	3,276,822	-	61,510,250	45,977,655	2,605,085	-	48,582,740	12,927,510
(d)	Furniture and fixtures	14,440,299	432,762	-	14,873,061	11,971,702	777,779	-	12,749,481	2,123,580
(e)	Vehicles	10,600,615	-	-	10,600,615	9,162,061	270,531	-	9,432,591	1,168,024
(f)	Office equipment	4,786,546	272,866	-	5,059,412	3,999,950	369,495	-	4,369,444	689,967
(g)	Computers	1,237,414	-	-	1,237,414	1,155,205	13,167	-	1,168,372	69,042
(h)	Railway siding	5,377,766	-	-	5,377,766	4,350,348	189,633	-	4,539,981	837,785
(i)	Electrical installation	2,425,543	43,475	-	2,469,018	2,047,283	123,056	-	2,170,339	298,678
(j)	R&D equipment's	2,037,544	-	-	2,037,544	1,725,847	52,019	-	1,777,866	259,678
	<b>Total</b>	<b>318,229,019</b>	<b>4,025,925</b>	-	<b>322,254,943</b>	<b>98,678,374</b>	<b>5,915,333</b>	-	<b>104,593,707</b>	<b>217,661,236</b>
										<b>219,550,645</b>

F.Y. 2016-17

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value		
		As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
(a)	<b>Land :</b> Freehold	186,846,260	-	-	186,846,260	-	-	-	186,846,260	186,846,260
(b)	<b>Buildings :</b> Own use	41,602,917	-	9,359,311	32,243,606	24,376,327	2,181,952	8,269,956	18,288,323	13,955,283
(c)	Plant and equipment	70,796,065	141,847	20,793,681	50,144,231	52,224,955	2,500,783	16,434,683	38,291,055	11,853,176
(d)	Furniture and fixtures	14,292,743	147,566	-	14,440,299	10,989,977	981,726	-	11,971,703	2,468,596
(e)	Vehicles	10,604,727	-	4,112	10,600,615	8,649,901	516,273	4,112	9,162,062	1,438,553
(f)	Office equipment	4,606,603	243,353	63,410	4,786,546	3,471,397	591,963	63,410	3,999,950	786,596
(g)	Computers	8,796,093	530,518	-	9,326,611	8,527,300	314,505	-	8,841,805	484,806
(h)	Railway siding	5,377,766	-	-	5,377,766	4,160,715	189,633	-	4,350,348	1,027,418
(i)	Electrical installation	2,425,543	-	-	2,425,543	1,880,199	167,084	-	2,047,283	378,259
(j)	R&D equipment's	1,965,041	72,503	-	2,037,544	1,667,545	58,302	-	1,725,847	311,697
	<b>Total</b>	<b>347,313,758</b>	<b>1,135,777</b>	<b>30,220,514</b>	<b>318,229,021</b>	<b>115,948,316</b>	<b>7,502,221</b>	<b>24,772,161</b>	<b>98,678,376</b>	<b>219,550,645</b>
										<b>231,365,442</b>

Note: Freehold land at S.No. 252/6 at village parthardi, Nashik purchased during the F.Y. 2011-12 is held in the name of relative of the Director of the Company.

## Notes to Financials Statements for the year ended 31st March, 2018

## Note - 3

## Other Intangible assets

## F.Y. 2017-18

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value			
		As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	
(a)	Computer software	4,487,015	343,819	-	4,830,834	3,362,180	328,527	-	3,690,707	1,140,127	1,124,835
(b)	Technical know-How	4,056,430	-	-	4,056,430	2,863,551	397,627	-	3,261,178	795,252	1,192,879
(c)	R & D amortization	45,024,316	13,940,759	10,922,699	48,042,376	22,204,558	11,793,015	10,922,699	23,074,874	24,967,501	22,819,757
(d)	Goodwill on consolidation	129,498,797	37,154,000	-	166,652,797	-	-	-	-	166,652,797	129,498,797
	<b>Total</b>	<b>183,066,558</b>	<b>51,438,578</b>	<b>10,922,699</b>	<b>223,582,437</b>	<b>28,430,289</b>	<b>12,519,169</b>	<b>10,922,699</b>	<b>30,026,759</b>	<b>193,555,678</b>	<b>154,636,268</b>

## F.Y. 2016-17

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value			
		As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	
(a)	Computer software	4,383,090	103,925	-	4,487,015	3,023,545	338,635	-	3,362,180	1,124,835	1,359,545
(b)	Technical know-How	4,056,430	-	-	4,056,430	2,465,924	397,627	-	2,863,551	1,192,879	1,590,506
(c)	R & D amortization	44,109,855	11,535,106	10,620,645	45,024,316	21,696,210	11,128,993	10,620,645	22,204,558	22,819,757	22,413,644
(d)	Goodwill on consolidation	129,498,797	-	-	129,498,797	-	-	-	-	129,498,797	129,498,797
	<b>Total</b>	<b>182,048,172</b>	<b>11,639,031</b>	<b>10,620,645</b>	<b>183,066,558</b>	<b>27,185,679</b>	<b>11,865,255</b>	<b>10,620,645</b>	<b>28,430,289</b>	<b>154,636,268</b>	<b>154,862,492</b>

## Note - 4

## Non-Current Financial Assets - Capital Goods WIP

## F.Y. 2017-18

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value			
		As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2018 Rs.	As at 1st April, 2017 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2018 Rs.	
1	Capital Goods WIP	209,921	278,845	263,766	225,000	-	-	-	-	225,000	209,921

## F.Y. 2016-17

Sr. No.	Particulars	Gross block			Depreciation/Amortisation			Carrying Value			
		As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	
1	Capital Goods WIP	-	209,921	-	209,921	-	-	-	-	209,921	-

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

## Note - 5

## Non-Current Financial Assets - Investments

Particulars	Numbers				
	Face Value	As at 31st March 2018	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Investment in Equity Instruments</b>					
<b>Unquoted</b>					
<b>Subsidiaries :</b>					
The Motwane Manufacturing Co. Pvt. Ltd.	100	340,130	19,84,29,090	15,19,86,590	15,19,86,590
			<b>19,84,29,090</b>	<b>15,19,86,590</b>	<b>15,19,86,590</b>
<b>Quoted</b>					
<b>Carried at Fair Value through Other Comprehensive Income (FVTOCI)</b>					
ACC Ltd.	10	-	-	-	967,330
Ashok Leyland Ltd.	1	-	-	-	868,800
Axis Bank Ltd.	2	-	-	-	3,197,880
Ballarpur Industries Ltd.	2	-	-	-	782,000
BASF India Ltd.	10	800	1,538,680	1,096,680	702,000
Cairn India Ltd.	10	-	-	1,376,325	692,325
Crompton Greaves Con. Elec. Ltd.	2	-	-	-	12,000
Crompton Greaves Ltd.	2	-	-	-	293,100
Dish TV India Ltd.	1	-	-	-	433,500
Electrosteel Steels Ltd.	10	260,000	624,000	-	-
Globus Spirits Ltd.	10	-	-	1,349,148	1,628,750
HDFC Bank Ltd.	2	-	-	1,442,550	1,606,725
HDFC Ltd.	2	3,000	5,476,800	3,304,620	3,537,920
Hindalco Industries Ltd.	1	15,500	3,325,530	1,657,925	747,575
IDFC Bank Ltd.	10	7,500	355,125	652,300	530,200
IDFC Ltd.	10	-	-	-	444,950
Indian Hotel Co. Ltd.	1	-	-	-	1,903,798
Indo Solar Ltd.	10	-	-	340,000	-
Infosys Ltd.	5	-	-	2,146,725	-
ITC Ltd.	1	7,500	1,916,250	2,102,250	1,641,250
Jamna Auto Industries Ltd.	5	-	-	-	765,600
Kotak Mahindra Bank Ltd.	5	9,500	9,954,100	6,977,600	5,445,200
Larsen & Toubro Ltd.	2	5,550	7,275,495	457,505	4,015,110
M&M Financial Services Ltd.	2	-	-	-	1,016,468
Mahindra & Mahindra Ltd.	5	15,050	11,120,445	9,683,923	9,110,518
Mahindra Holiday & Resorts India Ltd.	10	-	-	-	773,100
Marico Ltd.	1	-	-	-	1,710,100
Nitco Ltd.	10	-	-	-	394,500
Petronet LNG Ltd.	10	14,000	3,233,300	2,822,050	1,755,250
Pidilite Industries Ltd.	1	-	-	-	2,357,200
Power Grid Corp. of India Ltd.	10	22,773	4,400,883	4,493,113	3,167,724
State Bank of India	1	-	-	-	2,913,750
Tata Communication Ltd.	10	3,600	2,232,540	2,599,380	-
Tata Consultancy Services Ltd.	1	2,400	6,837,960	5,836,320	6,048,720

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Tech Mahindra Ltd.	10	-	-	-	2,274,061	
Torrent Power	10	-	-	691,050	695,700	
Ultratech Cement Ltd.	10	-	-	-	368,078	
VA Tech Wabg Ltd	2	-	-	-	309,973	
Vedanta Ltd	1	4,500	1,250,325	-	-	
Voltas Ltd	1	-	-	-	834,300	
Yes Bank Ltd.	10	-	-	-	692,040	
				<b>59,541,433</b>	<b>49,029,464</b>	<b>64,637,494</b>

## Investment in Preference Shares

## Unquoted

7.5% Non convertible Non cumulative Redeemable Preference shares of Vedanta Ltd.	10	18,000	179,100	-	-
			179,100	-	-
<b>Total</b>			<b>59,720,533</b>	<b>49,029,464</b>	<b>64,637,494</b>

## Other Details:

i Aggregate Book Value of:  
Particulars

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Quoted Investments	59,541,433	49,029,464	64,637,494
Unquoted Investments	198,608,190	151,986,590	151,986,590
	<b>258,149,623</b>	<b>201,016,054</b>	<b>216,624,084</b>
Aggregate Market Value of Quoted Investments	59,541,433	49,029,464	64,637,494
Aggregate Impairment in Value of Investments	-	-	-

## ii Disclosure requirement of Ind AS 107- Financial Instruments : Disclosure:

## Equity Instrument (Other than Subsidiary and Associates) designated at FVTOCI:

These Investment have been designated on initial recognition to be measured at FVTOCI as these are long-term investment are not intended for sale.

## iii Investment in Subsidiaries :

The Company opted to measure its investments in Subsidiary and Associate at Cost in terms of the exemption available in Ind AS 101 - First Time Adoption of Ind AS. Accordingly, the book value of Investments in Subsidiary and Associate as on 1st April, 2016 (The transition date), as per previous GAAP has been now considered as deemed cost.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Subsidiary :</b>	<b>Nos. of Eq. shares</b>	<b>Nos. of Eq. shares</b>	<b>Nos. of Eq. shares</b>
<b>The Motwane Manufacturing Co. Pvt. Ltd</b>			
As at beginning of the year	247,245	247,245	247,245
Add: Allotted during the year	92,885	-	-
Less: Transferred during the year	-	-	-
As at end of the year	340,130	247,245	247,245

During the previous year, pursuant to the Right issue, The Motwane Manufacturing Co. Pvt. Ltd. has allot total 92885 nos. of equity shares (face value of Rs. 100/- each) @ Rs. 500/- each including premium of Rs. 400/- per shares. The Company has settled ICD of Rs. 25,058,730/- along with accrued Interest of Rs. 10,262,270/- against share application money.

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Note - 6</b>			
<b>Non-Current Financial Assets - Other Financial Assets (Unsecured Considered Good unless otherwise stated)</b>			
Fixed deposits with bank	5,393,015	5,218,015	5,218,015
Advances recoverable	-	2,600,000	2,600,000
<b>Total</b>	<b>5,393,015</b>	<b>7,818,015</b>	<b>7,818,015</b>
<b>Note - 7</b>			
<b>Deferred Tax Assets</b>			
MAT Credit Entitlement	187,246	187,246	187,246
<b>Total</b>	<b>187,246</b>	<b>187,246</b>	<b>187,246</b>
<b>Note - 8</b>			
<b>Non-current tax assets (Net)</b>			
Provision for taxation	(800,000)	-	(82,904,213)
Income tax paid	11,564,460	10,593,536	94,605,476
<b>Total</b>	<b>10,764,460</b>	<b>10,593,536</b>	<b>11,701,263</b>
<b>Note - 9</b>			
<b>Other non-current assets</b>			
Security deposits	1,250,965	1,245,965	1,250,465
Balance with government authorities	1,356,668	529,817	529,949
Prepaid expenses	811,898	814,701	830,977
Capital advances	203,076	347	6,896
Earnest money deposit	3,459,785	4,394,761	5,052,308
Other deposits	1,310,955	1,094,227	1,005,503
<b>Total</b>	<b>8,393,346</b>	<b>8,079,817</b>	<b>8,676,098</b>
<b>Note - 10</b>			
<b>Inventories</b>			
Raw materials	33,303,606	26,758,717	24,870,421
Work-in-progress	18,804,116	11,528,899	7,882,651
Finished goods (Manufacturing)	12,911,897	18,632,600	27,147,549
Finished goods (trading)	46,984,901	17,488,835	17,049,013
Others - Stores & Spares	483,462	294,821	369,556
<b>Total</b>	<b>112,487,982</b>	<b>74,703,872</b>	<b>77,319,190</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Note - 11</b>			
<b>Current Financial Assets - Investments</b>			
<b>Carried at Fair Value through Profit and Loss (FVTPL)</b>			
<b>Quoted</b>			
Investment in Mutual Funds	208,584,604	241,570,477	217,893,914
Investment in Equity Instruments	24,165,744	18,865,767	9,435,070
<b>Unquoted At Cost</b>			
6000 Shares of Rs. 25/- each of Jhulelal nagari Sahakari Patsanstha	150,000	150,000	150,000
<b>Less:</b> Provision for Diminution in Value of Investment	(150,000)	(150,000)	(150,000)
<b>Total</b>	<b>232,750,349</b>	<b>260,436,245</b>	<b>227,328,984</b>
<b>Other Details:</b>			
<b>(i) Aggregate Book Value of:</b>			
Quoted Investments	232,750,349	260,436,245	227,328,984
Unquoted Investments	150,000	150,000	150,000
	<b>232,900,349</b>	<b>260,586,245</b>	<b>227,478,984</b>
Aggregate Market Value of Quoted Investments	232,750,349	260,436,245	227,328,984
Aggregate Impairment in Value of Investments	150,000	150,000	150,000
<b>Note - 12</b>			
<b>Trade receivables</b>			
<b>(Unsecure, unless otherwise stated)</b>			
Considered doubtful	-	-	-
Considered good	86,331,883	83,234,448	72,016,700
<b>Total</b>	<b>86,331,883</b>	<b>83,234,448</b>	<b>72,016,700</b>
<b>Note - 13</b>			
<b>Cash and cash equivalents</b>			
Balance with bank			
In Current accounts	10,421,371	3,734,801	5,107,998
Cash on hand	170,726	582,678	448,252
Bank Deposit (less than 3 months)	-	-	500,000
<b>Total</b>	<b>10,592,097</b>	<b>4,317,479</b>	<b>6,056,250</b>
<b>Note - 14</b>			
<b>Bank Balance other than Cash and Cash equivalents</b>			
<b>Other Bank Balances</b>			
Bank deposit (more than 3 months but less than 12 months)	9,010,000	11,840,000	3,980,000
<b>Total</b>	<b>9,010,000</b>	<b>11,840,000</b>	<b>3,980,000</b>
<b>Note - 15</b>			
<b>Current Financial Assets - Other financial assets</b>			
Interest receivables on others	156,483	584,182	105,205
<b>Total</b>	<b>156,483</b>	<b>584,182</b>	<b>105,205</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note - 16</b>			
<b>Current Financial Assets - Other current assets</b>			
<b>(Unsecured Considered Good unless otherwise stated)</b>			
Advances to employees	1,436,358	560,696	458,643
Advances to supplier of service / goods	8,323,386	3,567,811	3,210,347
Prepaid Expenses	1,698,958	2,138,110	1,064,559
Balance with Government Authorities	1,817,528	473,718	528,069
<b>Total</b>	<b>13,276,230</b>	<b>6,740,334</b>	<b>5,261,618</b>

**Note - 17****Equity Share Capital :**

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Number	Value	Number	Value	Number	Value
<b>Authorized Capital</b>						
Equity Shares of Rs. 10/- each	20,000,000	200,000,000	20,000,000	200,000,000	20,000,000	200,000,000
Unclassified Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and Paid-up</b>						
Equity Shares of Rs. 10/- each fully paid up	13,095,507	130,955,070	13,095,507	130,955,070	13,095,507	130,955,070
<b>Total</b>	<b>13,095,507</b>	<b>130,955,070</b>	<b>13,095,507</b>	<b>130,955,070</b>	<b>13,095,507</b>	<b>130,955,070</b>

**a Reconciliation of the Number of Equity Shares Outstanding is set out below:**

	Number of Shares		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity shares at the beginning of the year	13,095,507	13,095,507	13,095,507
Add: Shares issued during the year	-	-	-
Lees: Shares cancelled / bought back during the year	-	-	-
Equity shares at the end of the year	13,095,507	13,095,507	13,095,507

b The Equity shares of the Company having voting rights and are subject to the restriction as prescribed under the Companies Act, 2013.

c The Company has no holding company. The subsidiary company does not hold any shares in the company.

d Disclosure pursuant to Note no. 6(D) (h,i,j,k,l) of Part I of Schedule III of Companies Act, 2013 is NIL.

**e Shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Number	% of holdings	Number	% of holdings	Number	% of holdings
Khandelwals Limited*	5,641,100	43.08	5,641,100	43.08	5,641,100	43.08
Life Insurance Corporation of India Ltd.	1,585,094	12.10	1,585,094	12.10	1,585,094	12.10

\*Khandelwals Limited is registered outside India i.e. 10 Orange Street, London, United Kingdom

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

## Note - 18

## Other Equity

Particulars	Items of Other Comprehensive Income					
	Items that will not be reclassified to Profit and Loss					
	General Reserve	Retained Earnings	Equity instruments	OCI Other	Securities Premium	Total
<b>Balance as at 01st April 2016</b>	495,328,231	(11,767,469)	28,951,214	-	100,408,732	612,920,708
Profit for the year	-	2,223,789	-	-	-	2,223,789
Transfer from retained earnings to reserves	-	-	-	-	-	-
Transfer from OCI reserve to retained earnings	-	9,387,835	(9,387,835)	-	-	-
Re-measurement of gain/(loss) on defined benefit plans (Net of tax)	-	-	-	(602,303)	-	(602,303)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of Tax)	-	-	3,678,139	-	-	3,678,139
Reversal of Minority share for the year	-	701,341	-	90,244	-	791,586
<b>Balance as at 31st March 2017</b>	<b>495,328,231</b>	<b>545,497</b>	<b>23,241,518</b>	<b>(512,059)</b>	<b>100,408,732</b>	<b>619,011,919</b>
Profit for the year	-	(3,148,779)	-	-	37,248,800	34,100,021
Transfer from retained earnings to reserves	-	-	-	-	-	-
Transfer from OCI reserve to retained earnings	-	381,050	(381,050)	-	-	-
Re-measurement of gain/(loss) on defined benefit plans (Net of tax)	-	-	-	(147,328)	-	(147,328)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of Tax)	-	-	10,853,491	-	-	10,853,491
Reversal of Minority share for the year	-	(195,671)	-	(33,010)	(94,800)	(323,481)
<b>Balance as at 31st March, 2018</b>	<b>495,328,231</b>	<b>(2,417,904)</b>	<b>33,713,959</b>	<b>(692,397)</b>	<b>137,562,732</b>	<b>663,494,622</b>

## Note - 19

## Non-controlling Interest

Particulars	As at	As at
	31st March, 2018	31st March, 2017
<b>Minority Share holders:</b>		
<b>Opening balance of Non-controlling interest holders</b>	6,366,810	7,158,395
Add: Share in profit for the year	195,671	(701,341)
Add: Share in profit for the year - OCI	33,010	(90,244)
Add: Share in security premium	94,800	-
Add: Additional equity issued during the year	23,700	-
<b>Closing balance of Non-controlling interest holders</b>	<b>6,713,991</b>	<b>6,366,810</b>

## Note - 20

## Non-current liabilities- Borrowings

## Unsecured

Loan From Director / Shareholder	1,112,000	1,112,000	1,112,000
<b>Total</b>	<b>1,112,000</b>	<b>1,112,000</b>	<b>1,112,000</b>



## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Note - 21</b>			
<b>Non-current liabilities - Trade Payables</b>			
Dues to Micro, Small and Medium Enterprises (MSME)	-	-	-
Dues to others	1,178,542	1,178,542	1,178,542
<b>Total</b>	<b>1,178,542</b>	<b>1,178,542</b>	<b>1,178,542</b>

(i) The balance of Trade Payables are subject to confirmation.

**Note - 22****Non-current liabilities - Other financial liabilities**

Trade/ Security Deposit Received from Dealers	785,000	785,000	760,000
<b>Total</b>	<b>785,000</b>	<b>785,000</b>	<b>760,000</b>

**Note - 23****Non-current liabilities - Provisions****Provision for Employee Benefits:**

Gratuity	405,809	619,286	154,902
Leave Encashment	1,900,438	3,097,486	2,078,215
<b>Total</b>	<b>2,306,247</b>	<b>3,716,772</b>	<b>2,233,117</b>

**Note - 24****Current liabilities - Borrowings****Secured**

Loans Repayable on Demand	67,221,732	57,977,459	55,775,392
<b>Total</b>	<b>67,221,732</b>	<b>57,977,459</b>	<b>55,775,392</b>

Note:

1. Repayable on demand and same are Secured against term deposit receipt of the Bank.
2. Secured against hypothecation of all stocks, book debts / receivables and hypothecation of plant and machinery. Collaterally secured by equitable mortgage of Factory Land & Building situated on Plot No. 1 & 4 at survey no. 116A/1+116A/2 +117D, Nashik Road in the name of Company. Further personal guarantee of one Director & corporate guarantee of Nagpur Power And Industries Ltd.

**Note - 25****Current liabilities - Trade Payables****Dues to Micro, Small and Medium Enterprises (MSME)**

Dues to others	32,293	901,112	915,186
Trade Payable	68,857,437	39,126,386	31,734,034
<b>Total</b>	<b>68,889,729</b>	<b>40,027,498</b>	<b>32,649,219</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016

**(i) Total outstanding dues of Micro, Small and Medium Enterprises (MSME):**

The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. - - -

The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. - - -

The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. - - -

The amount of interest accrued and remaining unpaid at the end of each accounting year and - - -

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 - - -

(ii) The balance of Trade Payables are subject to confirmation.

(iii) In absence of information with the Company, the name of Micro, Small and Medium Enterprises to whom the Company owes any sum together with interest outstanding for more than 30 days have not been given. The Auditors have relied upon this management representation.

**Note - 26****Current liabilities - Other Financial liabilities**

Security deposits	233,300	340,148	10,000
<b>Total</b>	<b>233,300</b>	<b>340,148</b>	<b>10,000</b>

**Note - 27****Current liabilities - Other current liabilities**

Statutory liabilities	2,318,704	3,050,554	2,594,289
Advances from Customers	2,740,459	7,069,504	1,980,623
Creditors for capital Goods	152,829	204,607	85,211
Payable to employees	-	-	72,51,467
Provision for expenses	2,058,661	3,757,351	1,079,191
Other payables	107,130	185,805	260,700
<b>Total</b>	<b>7,377,783</b>	<b>14,267,820</b>	<b>1,32,51,481</b>

**Note - 28****Current liabilities - Provisions**

Provision for bonus	1,373,308	1,375,266	1,404,467
Provision for employees cost	615,091	792,199	910,737
Ex-gratia Payable	1,643,888	1,520,982	1,424,374
Excise duty payable on finished goods	-	6,190,437	9,572,494
<b>Total</b>	<b>3,632,287</b>	<b>9,878,884</b>	<b>13,312,072</b>

**Notes to Consolidated Financials Statements for the year ended 31st March, 2018**

Particulars	Amount in ₹	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Note - 29</b>		
<b>Revenue from Operations</b>		
Sale of products:		
Domestic (including excise duty)	282,986,198	207,463,834
Sale of services	9,639,725	3,139,785
<b>Other operating revenues</b>	5,592,137	8,317,298
<b>Total</b>	<b>298,218,060</b>	<b>218,920,917</b>
<b>Other Operating Revenues</b>		
Scrap Sales	1,144,320	766,827
Lease Income	-	-
Commission received	4,447,817	7,550,471
<b>Total</b>	<b>5,592,137</b>	<b>8,317,298</b>
<b>Note - 30</b>		
<b>Other Income</b>		
<b>Interest income on:</b>		
Interest Income	1,109,593	1,306,885
Interest on ICD to Subsidiary Company	-	-
<b>Dividend income from:</b>		
Investment in Mutual Funds	1,927,766	-
Investment in Equity Instruments	1,017,021	771,991
<b>Profit on Sale of :</b>		
Investment (Net) - Mutual Funds units (measure at FVTPL)	58,364,113	5,059,504
Investment (Net) - Equity Instruments (measure at FVTPL)	6,089,765	5,833,842
Other Assets		464,685
Gain on Fair Valuation of Current Investments (Measure at FVTPL)	(46,734,020)	22,094,377
Other Non-Operating Income	841,836	134,762
<b>Total</b>	<b>22,616,074</b>	<b>35,666,047</b>
<b>Note - 31</b>		
<b>Cost of Material Consumed</b>		
Opening stock of raw materials and components		
Add: Purchased during the year	154,086,055	79,435,656
Less: Closing stock of raw materials and components		
<b>Cost of Material Consumed</b>	<b>154,086,055</b>	<b>79,435,656</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Note - 32</b>		
<b>Change in inventories of finished goods and work-in-process</b>		
<b>(A) Opening stocks:</b>		
Finished goods	18,632,600	27,137,685
Work in process	11,528,899	7,882,651
By products/ Wast product	-	-
	30,161,499	35,020,336
<b>(B) Closing stocks:</b>		
Finished goods	12,911,897	18,632,600
Work in process	18,804,116	11,528,899
By products/ Wast product	-	-
	31,716,013	30,161,499
<b>Change in inventories of finished goods and work in process (A- B)</b>	<b>(1,554,513)</b>	<b>4,858,837</b>

**Note - 33****Excise duty**

Excise duty on finished goods	2,015,318	13,416,721
<b>Total</b>	<b>2,015,318</b>	<b>13,416,721</b>

**Note - 34****Employee Benefit Expenses**

Salaries and Wages, including Bonus and Exgratia	67,175,487	65,563,051
Contribution to provident and other funds	5,510,053	5,465,340
Staff welfare expenses	1,517,867	1,173,180
<b>Total</b>	<b>74,203,407</b>	<b>72,201,571</b>

The employee benefit expenses includes the Whole Time Directors's remuneration within the limit approved by share holders at Annual General Meeting held on September 28th, 2017.

**Note - 35****Finance Costs**

Interest Expenses	7,203,252	10,976,542
Other Borrowing Costs	-	-
Bank Charges	2,762,137	1,681,926
<b>Total</b>	<b>9,965,389</b>	<b>12,658,468</b>

**Note - 36****Depreciation and amortization expense**

Depreciation on Property, plant and equipment	5,915,333	7,502,221
Depreciation on Intangible assets	12,519,169	11,865,255
<b>Total</b>	<b>18,434,502</b>	<b>19,367,476</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Note - 37</b>		
<b>Other Expenses</b>		
Manufacturing & Other Expense	4,102,154	149,283
Advertisement and Publicity	5,596,374	2,742,974
Auditor's Remuneration	900,000	520,895
Business Promotion expenses	252,453	124,324
Conveyance	2,603,439	1,648,099
Conference or Remuneration exp	509,503	451,347
Director Sitting Fees	1,005,000	-
Freight and Handling charges	16,800	29,050
Exchange (Gain)/ Loss	-	2,283,987
Insurance Charges	521,841	528,880
Legal & Consultancy Fees	6,765,879	4,664,844
Loss on sale/ discard of assets	-	1,392,815
Membership Fees	226,684	264,025
Motor car expenses	1,693,850	2,855,849
Office Expenses	633,950	542,923
Postage Telegram & Telephone	1,827,377	2,072,455
Power & Fuel Charges	557,432	448,312
Printing & Stationery	835,569	738,344
Rates & Taxes	2,246,104	2,366,273
Rent Charges	712,427	628,930
Repair to Buildings	556,876	1,881,355
Repairs to Others	3,664,378	2,428,840
Security Expenses	4,850,735	6,239,192
Sundry Balance Written Off ( Net )	3,819,375	29,637
Short provision of Income Tax in earlier years	-	1,653,491
Sales Tax - VAT/CST	335,759	77,164
Testing Fees	629,580	469,105
Freight, Octroi, Packing Outward	2,411,526	2,332,243
Sales Promotion	1,144,615	1,734,753
Lighting Charges	136,563	156,767
Liquidated Damages	5,159,030	41,343
License Tender Fees	251,868	241,792
Recruitment Expenses	164,004	375,738
Travelling Expenses-Director	1,476,545	1,380,672
Travelling Expenses-Foreign	2,849,923	1,247,823
Travelling Expenses-Others	6,385,389	8,216,978
Website, Internet Charges	7,924	31,322
Miscellaneous Expenditures	894,331	1,150,183
Listing Fees	287,500	229,000
<b>Total</b>	<b>66,032,755</b>	<b>54,371,007</b>
<b>Auditors' Remuneration (Inclusive of taxes)</b>		
For Statutory audit	570,000	380,935
For taxation matters including tax audit	118,000	131,085
For other services	275,000	5,750
For reimbursement of expenses	-	33,125
<b>Total</b>	<b>963,000</b>	<b>550,895</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended	
	31st March, 2018	31st March, 2017
<b>Note - 38</b>		
<b>Tax Expenses</b>		
<b>(a) Income tax expenses recognised in Statement of Profit and Loss</b>		
Current income tax for the year	800,000	-
Deferred Tax:		
Deferred income tax for the year	-	-
MAT Credit entitlement	-	(54,741)
<b>Total income tax expense recognised in statement of profit and loss for the year</b>	<b>800,000</b>	<b>(54,741)</b>

**(b) Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of comprehensive income:**

Particulars	Year ended
	31st March, 2018
Income from continued operation before income taxes	(3,015,266)
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>	-
Income exempt from tax (dividends)	(2,944,787)
Long-term Capital gain	-
Expenses not deductible in determining taxable profit- Expenses related to exempt income	1,418,070
Deferred Tax not recognised on assets	-
1/5th of Transition amount as per sec. 115JB(2C)	11,090,964
Amount of B/f Loss or Unabsorbed depreciation	(2,724,000)
<b>Taxable Income / Book Profit under MAT</b>	<b>3,824,981</b>
Indian statutory Income Tax Rate*	20.39%
<b>Estimated Income Tax expenses</b>	<b>779,875</b>
<b>Income Tax expense recognised in Statement of Profit and Loss</b>	<b>800,000</b>

\*Applicable Indian Statutory Income Tax rate for Fiscal 2017 is 25% (30% in FY 2016) plus surcharge and cess. However, Company is required to pay tax u/s 115JB of Income Tax Act 1961 @ 18.5% plus Surcharge and Cess.

**Note - 39****Other Comprehensive Income (OCI)****Items that will not be reclassified to Profit and Loss**

Re-measurement gains/ (losses) on defined benefit plans	(147,328)	(602,303)
Equity Instrument through Other Comprehensive Income	10,853,491	3,678,139
Income tax relating to items will not be reclassified to profit and loss		

**Items that will be reclassified to Profit and Loss**

Debt instruments through Other Comprehensive Income	-	-
Income tax relating to items will be reclassified to profit and loss	-	-
<b>Total (Net)</b>	<b>10,706,163</b>	<b>3,075,836</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
<b>Note - 40</b>		
<b>Earnings per Equity Shares (EPS)</b>		
Nominal value of equity shares (Rs.)	10	10
Net Profit for the year attributable to Equity Shareholders	(3,344,450)	2,925,131
Weighted Average Number of Equity Shares Outstanding during the year (Nos.)	13,095,507	13,095,507
<b>Basic earnings per equity shares (Rs.)</b>	<b>(0.26)</b>	<b>0.22</b>
Dilutive effect on profit		
Net Profit for the year attributable to Equity Shareholders for computing diluted EPS	(3,344,450)	2,925,131
Dilutive effect on weighted average number of equity shares outstanding during the year	-	-
Weighted Average Number of Equity Shares for computing diluted EPS (Nos.)	13,095,507	13,095,507
<b>Diluted earnings per equity shares (Rs.)</b>	<b>(0.26)</b>	<b>0.22</b>

**Note - 41****Commitments, Contingent Liabilities and contingent assets:****(a) Contingent liabilities****Claims made against the Company/ disputed liabilities****not acknowledgement as debts:****(i) Legal Claims**

- Sales Tax Demand not provided for pending outcome of appeal*	20,173,539	20,173,539
- Customs Duty Demand not provided for pending outcome of appeal	11,742,500	11,742,500
- Other Matters**	11,199,089	11,199,089
- Income Tax Matters - under appeal	934,654	1,945,121

**(ii) Guarantees**

- Guaranty provided to Dena Bank for working capital requirement of Subsidiary Company	183,850,000	183,850,000
- Bank guarantees issued to customers	24,976,888	28,901,331
- Letter of Credit	23,079,600	45,586,180

**(b) Capital Commitments****(c) Contingent assets**

\* Out of which documents relating to claim of Rs. 6.27 lacs are currently not available with the Company.

\*\* Out of which documents relating to claim of Rs. 30.61 lacs are currently not available with the Company.

**Note:**

In respect of Item no. (a) (i) above, the Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. Future cash outflow on (a) and (b) above is determinable only on the receipt of judgement / decision pending with respective authorities / department / Hon'ble court and or completion of negotiations / settlement.

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

## Note - 42

## Provision for employee benefits

## (i) Gratuity

The Company contributes to defined benefit schemes for Gratuity which is administrated through duly constituted and approved independent trust. The liability for Gratuity and Leave encashment is determined on the basis of actuarial valuation made at the year end.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) Method as prescribed by the Ind AS-19 - 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

## (ii) Compensated Absences/Leave Encashment:

The Company also extends defined plans in the form of Compensated absences/leave encashment to employees. Provisions for compensated absences is made on actuarial valuation basis.

The company is exposed to various risks as regards its obligation towards gratuity benefit and leave salary which are as follows: (i) Interest Rate Risk, (ii) Liquidity Risk, (iii) Salary Escalation Risk, (iv) Regulatory Risk, (v) Market Risk and (vi) Investment Risk

Amount in ₹

Particulars	Gratuity		Leave encashment	
	As at 31st	As at 31st	As at 31st	As at 31st
	March, 2018	March, 2017	March, 2018	March, 2017
Opening Defined Benefit Obligation	15,281,288	13,328,917	3,340,979	2,647,319
<b>Adjustments of:</b>			-	-
Current Service Cost	1,222,163	1,187,016	328,131	1,857,037
Past Service Cost	199,011	-	-	-
Interest Cost	1,039,751	1,030,975	182,721	60,584
Actuarial Loss/(Gain)	(305,911)	312,051	-	-
Liabilities assumed on Acquisition/(Settled on Divestiture)	-	-	-	-
Benefits Paid	(2,835,867)	(883,448)	(1,809,387)	(613,828)
Remeasurements - Due to Experience Adjustments	128,024	305,777	192,983	(610,133)
<b>Closing Defined Benefit Obligation</b>	<b>14,728,459</b>	<b>15,281,288</b>	<b>2,235,427</b>	<b>3,340,979</b>



## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

## (ii) Reconciliation of Fair Value of the Plan Assets:

Opening Fair Value of the Plan Assets	14,375,929	13,599,551	-	-
<b>Adjustments of:</b>				
Expected return on Plan Assets	1,101,232	955,659	1,809,387	613,828
Actuarial Gain/(Loss)	(193,474)	4,665	-	-
Contributions by the Employer	2,017,413	688,642	-	-
Assets Acquired on Acquisition/(Distributed on Divestiture)	-	-	-	-
Benefits Paid	(2,835,867)	(883,448)	(1,809,387)	(613,828)
Remeasurements - Return on Assets (Excluding Interest Income)	(73,516)	10,860	-	-
<b>Closing Fair Value of the Plan Assets</b>	<b>14,391,717</b>	<b>14,375,929</b>	-	-

## (iii) Net Liabilities/(Assets) recognised in the Balance Sheet:

Present Value of the Defined Benefit Obligation at the end of the period	14,728,460	15,281,288	2,235,427	3,340,979
Fair Value of the Plan Assets	14,391,717	14,375,929	-	-
<b>Net Liabilities recognised in the Balance Sheet</b>	<b>336,743</b>	<b>905,359</b>	<b>2,235,427</b>	<b>3,340,979</b>
Short term liability	570,849	1,095,336	414,837	366,502

## (iv) Amount recognised in Salary and Wages under

## Employee Benefits Expense in the Statement of Profit and Loss:

Current Service Cost	561,512	411,611	328,131	1,857,037
Interest on Defined Benefit Obligation (Net)	798,181	850,721	182,721	60,584
Net Cost	1,359,693	1,262,332	510,852	1,917,621
Capitalised as Pre-Operative Expenses in respect of Net Charge to the Statement of Profit and Loss	-	-	-	-
<b>Net Charge to the Statement of Profit and Loss</b>	<b>1,359,693</b>	<b>1,262,332</b>	<b>510,852</b>	<b>1,917,621</b>

## (v) Amount recognised in Other Comprehensive Income (OCI) for the Year:

Changes in Financial Assumptions	-	-	-	-
Experience Adjustments	128,024	305,777	192,983	(610,133)
Actual return on Plan Assets less Interest on Plan Assets	739,704	769,210	-	-
<b>Recognised in OCI for the year</b>	<b>867,728</b>	<b>1,074,987</b>	<b>192,983</b>	<b>(610,133)</b>

## (vi) Principal Actuarial Assumptions:

Discount Rate	7.5% to 8%	7.50%	-	-
Salary Escalation Rate	5% to 6%	5% to 6%	-	-
Leave Encashment Rate during employment	-	-	0% to 10%	0% to 10%
Leave Availment Rate	-	-	0.5% to 2%	0.1% to 2%

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

## Note - 43

## Related Party Disclosures

## (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Nature of Relationship
1	Informed Technologies India Ltd.	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.
2	Zeppelin Investments Pvt. Ltd.	
3	The Motwane Manufacturing Co. Pvt. Ltd.	Subsidiary Company
4	Mr. Gautam Khandelwal	Key Managerial Personnel ( Director)
5	Mr. Ajit Parundekar	Key Managerial Personnel ( Director)
6	Mrs. Nidhi Salampuria	Key Managerial Personnel ( Director)
7	Mr. Virat Mehta	Key Managerial Personnel ( Director)
8	Mr. Nimis Sheth	Independent- Director
9	Mr. Girish Bakre	Independent- Director
10	Mr. Santosh Khandelwal	Chief Financial Officer

## (ii) Transactions during the year with related parties:

Sr. No.	Nature of Transactions	For the Year ended 31.03.2018			For the Year ended 31.03.2017			Total
		Holding Company	Subsidiaries	Key Managerial Personnel	Holding Company	Subsidiaries	Key Managerial Personnel	
1	Sale of Services	-	-	-	-	-	-	-
2	Purchase of Services	-	-	-	-	-	-	-
3	Payment to Key Managerial Personnel - Salaries and Other benefits	-	-	9,156,361	9,156,361	-	12,572,958	12,572,958
4	Payment to Key Managerial Personnel - Siting Fees	-	-	3,329,997	3,329,997	-	180,000	180,000
5	Interest Expenses / Income	-	-	133,440	133,440	-	133,440	133,440
<b>Outstanding Balances:</b>								
1	Due to Company	-	-	-	-	-	-	-
2	Due by Company-ICD	-	-	-	-	-	-	-
3	Due by Company-Interest accrued on ICD	-	-	-	-	-	-	-

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

## Note - 44

## Segment Reporting:

For management purposes, the Group is organised into business units based on the nature of the products, the differing risks and returns. The organization structure and internal reporting system has two reportable segments as follows:

- (a) High/Medium/Low Carbon Ferro Manganese and Silico Manganese Slag
- (b) Electronics & Electrical Products, Energy Meters & others

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Chief Operating Decision Maker (CODM) monitors the operating primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

## Primary Segment Information:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>(I) Segment Revenue:</b>		
External Sales	298,218,060	868,367
Inter Segment Sales	-	-
Other Operating Income	22,616,074	38,697,775
<b>Total Segment Revenue</b>	<b>320,834,134</b>	<b>39,566,142</b>
<b>(II) Total Segment EBITDA :</b>	1,514,737	(3,018,219)
<b>(III) Segment EBITDA reconciles to Profit / (Loss) before Tax from Continuing Operations as follows:</b>		
Total Segment EBITDA	1,514,737	(3,018,219)
Unrealized profit of Inter-segment Sales	-	-
Finance Cost	(7,203,252)	(10,976,542)
Depreciation and Amortization	(18,434,502)	(19,367,476)
Exceptional Items (Net)	-	-
Investment Income (including Interest and Dividend)	68,508,258	12,972,223
Profit / (Loss) on Sale of Assets	-	464,685
Fair value gain/ (loss) on financial assets	(46,734,020)	22,094,377
<b>Profit/ (Loss) before Tax from Continuing Operations</b>	<b>(2,348,779)</b>	<b>2,169,048</b>
<b>(IV) Other Information's:</b>		
<b>(a) Segment Assets:</b>		
High/Medium/Low Carbon Ferro Manganese and Silico Manganese Slag	730,193,602	725,041,345
Electronics & Electrical Products, Energy Meters & others	284,831,874	234,547,581
<b>Total Segment Assets</b>	<b>1,015,025,475</b>	<b>959,588,926</b>
<b>(b) Segment Liabilities:</b>		
High/Medium/Low Carbon Ferro Manganese and Silico Manganese Slag	6,133,048	7,759,253
Electronics & Electrical Products, Energy Meters & others	175,952,385	173,008,018
<b>Total Segment Liabilities</b>	<b>182,085,433</b>	<b>180,767,271</b>

**Notes to Consolidated Financials Statements for the year ended 31st March, 2018****Note - 45****First time adoption of Ind AS**

These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared in accordance with Ind AS. For all periods up to and including the year ended 31 March 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS consolidated financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

**(A) Mandatory Exceptions and Optional Exceptions availed:**

IND AS 101 permits first time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions and mandatory exemption under Ind AS 101:

**i Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**ii Classification and Measurement of Financial Assets:**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**iii Fair Value of Financials Assets and Liabilities:**

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

**iv Deemed Cost for Property, Plant and Equipment and Intangible Assets:**

The Company has elected to measure all of its property, plant and equipment and intangible assets recognised as of 1st April, 2016 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

**v Investments in Subsidiary:**

The Company has elected to measure its investments in subsidiary the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**Notes to Consolidated Financials Statements for the year ended 31st March, 2018****vi Current Borrowing:**

The Company has used its Previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

**(B) Notes to Reconciliations****i Fair value of Non-current Investments i.e. Equity Instruments, other than Investment in Subsidiaries and Associates:**

Under Previous GAAP, long-term investments were measured at cost less diminution in value other than temporary. Under Ind AS, these financial assets have been classified as fair value through Other Comprehensive Income (FVTOCI). On the date of transition to Ind AS, these financial assets have been measure at their fair value which is lower than the cost as per the previous GAAP. Therefore carrying amount of non-current investment in equity instruments (other than investment in subsidiaries, joint venture and associates) are increase by Rs. 2.89 Cr and recognized as gain in Other Comprehensive Income Reserve. These change do not effect profit / loss before tax for the year ended 31st March, 2017 because the investments have been classified as FVTOCI.

**ii Other Comprehensive Income (OCI):**

Under Previous GAAP, there was not concept of OCI. Under Ind AS, fair valuation of Equity Investments not held for trade (other than subsidiaries, Joint Ventures and Associates) and re-measurement of defined benefit plan liability are recognised in OCI.

**iii Excise Duty:**

Under Previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products is inclusive of excise duty. Accordingly, Excise duty has been included in the cost of production, as it is a liability of the manufacturer, irrespective of whether the goods are sold or not.

**iv Defined Benefit Obligation:**

Under Previous GAAP, the actuarial gain / (loss) of defined benefit plans had been recognised in Statement of Profit and Loss. Under Ind AS, the remeasurement loss on net defined benefit plans for the year ended March, 2017 amounting to Rs. 2.94 Lacs is recognised in Other Comprehensive Income net of tax.

**(C) Disclosures as required by Indian Accounting Standards (Ind AS) 101 First Time Adoption of Indian Accounting Standards**

**The following reconciliations provide the explanations and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:**

- i Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016
- ii Effect of Ind As adoption on the Statement of Profit and Loss for the year ended 31st March, 2017
- iii Reconciliation of Equity as at 31st March, 2017
- iv Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017
- v Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2017

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

## 45.(i) Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016

Amount in ₹

Particulars	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	219,550,645	-	219,550,645	231,365,442	-	231,365,442
Other intangible assets	154,636,268	-	154,636,268	154,862,492	-	154,862,492
Capital Work in progress	209,921	-	209,921	-	-	-
Financial assets						
- Investments	25,140,818	23,888,646	49,029,464	35,686,280	28,951,214	64,637,494
- Others financial assets	7,933,773	(115,758)	7,818,015	8,212,493	(394,478)	7,818,015
Deferred Tax	-	187,246	187,246	-	187,246	187,246
Non-current tax assets (Net)	10,593,536	-	10,593,536	11,701,263	-	11,701,263
Other non-current assets	8,079,470	347	8,079,817	8,669,202	6,896	8,676,098
<b>Current assets</b>						
Inventories	74,703,872	-	74,703,872	77,319,190	-	77,319,190
Financial assets						
- Investments	183,319,410	77,116,835	260,436,245	171,874,166	55,454,818	227,328,984
- Trade Receivables	83,234,448	-	83,234,448	72,016,700	-	72,016,700
- Cash and cash equivalents	16,157,479	(11,840,000)	4,317,479	10,036,249	(3,980,000)	6,056,250
- Bank balance other than mentioned in cash and cash equivalents	-	11,840,000	11,840,000	-	3,980,000	3,980,000
- Others financial assets	5,911,996	(5,327,814)	584,182	3,981,114	(3,875,909)	105,205
Other current assets	1,484,355	5,255,979	6,740,334	1,185,373	4,076,244	5,261,617
<b>Total Assets</b>	<b>790,955,991</b>	<b>101,005,481</b>	<b>891,961,472</b>	<b>786,909,964</b>	<b>84,406,032</b>	<b>871,315,996</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	130,955,070	-	130,955,070	130,955,070	-	130,955,070
Other equity	518,292,511	100,719,408	619,011,919	528,514,676	84,406,032	612,920,708
Non controlling interest	6,366,810	-	6,366,810	7,158,395	-	7,158,395
<b>Total equity</b>	<b>655,614,391</b>	<b>100,719,408</b>	<b>756,333,799</b>	<b>666,628,141</b>	<b>84,406,032</b>	<b>751,034,173</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial liabilities						
- Borrowings	1,112,000	-	1,112,000	1,112,000	-	1,112,000
- Trade Payables	1,178,543	-	1,178,543	1,178,543	-	1,178,543
- Other financial liabilities	785,000	-	785,000	760,000	-	760,000
Provisions	3,716,772	-	3,716,772	2,233,117	-	2,233,117
<b>Total Non-current liabilities</b>	<b>6,792,314</b>	<b>-</b>	<b>6,792,314</b>	<b>5,283,659</b>	<b>-</b>	<b>5,283,659</b>

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

					Amount in ₹
<b>Current liabilities</b>					
Financial liabilities					
- Borrowings	57,977,459	-	57,977,459	55,775,392	- 55,775,392
- Trade payables	40,027,498	-	40,027,498	32,649,219	- 32,649,219
- Other Financial Liabilities	340,148	-	340,148	10,000	- 10,000
Other current liabilities	20,611,370	-	20,611,370	13,251,480	- 13,251,480
Provisions	9,592,811	286,073	9,878,884	13,312,072	- 13,312,072
<b>Total current liabilities</b>	<b>128,549,286</b>	<b>286,073</b>	<b>128,835,359</b>	<b>114,998,163</b>	<b>- 114,998,163</b>
<b>Total Equity and Liabilities</b>	<b>790,955,991</b>	<b>101,005,481</b>	<b>891,961,472</b>	<b>786,909,964</b>	<b>84,406,032 871,315,996</b>

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

## 45.(ii) Effect of Ind As adoption on the Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>I Revenue from Operations</b>	205,504,196	13,416,721	218,920,917
<b>II Other Income</b>	22,744,737	12,921,310	35,666,047
<b>III Total Income ( I + II )</b>	<b>228,248,933</b>	<b>26,338,031</b>	<b>254,586,964</b>
<b>IV Expenses</b>			
Cost of materials consumed	79,435,656	-	79,435,656
Changes in inventories of finished goods and work-in-progress	4,858,837	-	4,858,837
Excise duty	-	13,416,721	13,416,721
Employee benefits expense	72,517,801	(316,230)	72,201,571
Finance Costs	8,766,648	-	8,766,648
Depreciation and amortization expense	19,367,476	-	19,367,476
Other Expenses	54,371,007	-	54,371,007
<b>Total Expenses</b>	<b>239,317,425</b>	<b>13,100,491</b>	<b>252,417,916</b>
<b>V Profit before exceptional items and tax (III-IV)</b>	<b>(11,068,492)</b>	<b>13,237,540</b>	<b>2,169,048</b>
<b>VI Exceptional Items</b>	-	-	-
<b>VII Profit/(Loss) Before Tax (V-VI)</b>	<b>(11,068,492)</b>	<b>13,237,540</b>	<b>2,169,048</b>
<b>VIII Tax Expense</b>			
Current tax	-	-	-
Deferred Tax	(54,741)	-	(54,741)
<b>IX Profit for the year (VII-VIII)</b>	<b>(11,013,751)</b>	<b>13,237,540</b>	<b>2,223,789</b>
<b>X Other Comprehensive Income</b>			
(i) <b>Items that will not be reclassified to statement of Profit and Loss</b>			
- Re-measurement gains/(losses) on defined benefit plans	-	(602,303)	(602,303)
- Fair value gains/ (losses) on Equity instruments	-	3,678,139	3,678,139
- Income tax effect on above	-	-	-
(ii) <b>Items that will be reclassified to statement of Profit and Loss</b>			
- Debt instruments through Other Comprehensive Income	-	-	-
- Income tax effect on above	-	-	-
<b>Total Other Comprehensive Income</b>	-	<b>3,075,836</b>	<b>3,075,836</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>	<b>(11,013,751)</b>	<b>16,313,376</b>	<b>5,299,625</b>

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

## Notes to Consolidated Financials Statements for the year ended 31st March, 2018

Amount in ₹

## Note - 45 (iii)

## Reconciliation of Equity as at 31st March, 2017

Particulars	As at 31st March 2017	As at 1st April 2016
<b>Total Equity as reported under previous GAAP</b>	655,614,390	666,628,141
Ind AS adjustments on account of		
a. Fair Valuation of Investments designated through Profit and Loss	76,885,209	54,790,832
b. Fair Valuation of Investments designated through Other Comprehensive Income	23,888,646	28,951,214
c. Reclassification of actuarial loss / (gain), arising in respect of employee benefit schemes, to Other Comprehensive Income	316,230	-
d. Re-measurement gains/(losses) on defined benefit plans	(602,303)	-
e. Reversal of provision on current investment	231,626	663,986
<b>Total adjustments to equity</b>	<b>100,719,408</b>	<b>84,406,032</b>
<b>Total Equity under Ind AS</b>	<b>756,333,798</b>	<b>751,034,173</b>

## Note - 45 (iv)

## Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Particulars	As at 31st March, 2017
<b>Profit as reported under previous GAAP</b>	(11,013,751)
<b>Ind AS adjustment on account of:</b>	
a. Fair Valuation of Investments designated through FVTPL	12,921,310
b. Reclassification of actuarial loss / (gain), arising in respect of employee benefit schemes, to Other Comprehensive Income	316,230
c. Fair value gains/ (losses) on Equity instruments	-
d. Tax adjustments on the same	-
e. Prepaid rental on securities deposits amortised	-
f. Finance charges charged due to Present value impact of securities deposits	-
<b>Total effect of transition to Ind AS</b>	<b>13,237,540</b>
Profit for the year as per Ind AS	2,223,789
Other Comprehensive Income for the year (Net of Tax)	3,075,836
<b>Total Comprehensive Income under Ind AS</b>	<b>5,299,625</b>

## (v) Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2017

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.



**Notes to Consolidated Financials Statements for the year ended 31st March, 2018****Note - 46****Principles of Consolidation:**

The Consolidated financial statements (CFS) comprises the financial Statements of Nagpur Power And Industries Limited ('the Company') and it's Subsidiary, "The Motwane Manufacturing Company Pvt. Ltd.". Here in after referred together as 'the Group' or 'the Company'. The Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standard on 'Consolidated Financial Statements' (IND AS 110), 'Disclosure in Interest in Other Entity' (IND AS - 112) notified under section 133 of the Companies Act, 2013.

**Subsidiary:**

- The financial statements of Subsidiary used in the consolidated are drawn up to the same reporting date as that of the Company i.e. year ended March, 2018.
- The financial statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and unrealized profits or losses on intra-group transactions.
- The difference between the cost of investment in the Subsidiary and the portion of equity as at the date of making the investment is identified in the financial statement as Goodwill.
- These Consolidated financial statements have been prepared in compliance of section 129 of the Companies Act, 2013.
- The Minority Interest in the net assets of Subsidiary consists of :
  - The amount of equity attributable to the minorities at the dates on which Investment in Subsidiary is made and
  - The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

The Consolidated Financial Statements comprised of the Audited Financial Statements of the Company and its Subsidiary for the year ended 31st March, 2018, which are as under:

Name of the Company	Country of Incorporation	Ownership Interest %		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
The Motwane Manufaturing Co. Pvt. Ltd.	India	76.76%	70.64%	70.64%

**Notes to Consolidated Financials Statements for the year ended 31st March, 2018**

**Note - 47**

**Additional information as required under Schedule III to the Companies Act 2013, of enterprise consolidated as subsidiary:**

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)	As % of consolidated other comprehensive income	Amount (Rs.)	As % of consolidated other comprehensive income	Amount (Rs.) total
<b>Holding Company</b>								
<b>Indian</b>								
<b>Nagpur Power And Industries Limited</b>								
Balance as at 31st March, 2017	94.84%	717,282,093	207.42%	4,612,671	109.99%	3,383,222	150.88%	7,995,893
Balance as at 31st March, 2018	90.38%	724,060,553	121.17%	(3,815,266)	98.95%	10,593,726	89.69%	6,778,460
<b>Subsidiary</b>								
<b>Indian</b>								
<b>The Motwane Manufacturing Co. Pvt. Ltd</b>								
Balance as at 31st March, 2017	5.16%	39,051,706	-107.42%	(2,388,859)	-9.99%	(307,386)	-50.88%	(2,696,245)
Balance as at 31st March, 2018	9.62%	77,103,130	-21.17%	666,533	1.05%	112,437	10.31%	778,970
<b>Total</b>								
Balance as at 31st March, 2017	100.00%	756,333,799	100.00%	2,223,812	100.00%	3,075,836	100.00%	5,299,648
Balance as at 31st March, 2018	100.00%	801,163,683	100.00%	(3,148,733)	100.00%	10,706,163	100.00%	7,557,430

- The declaration filed under the Urban Land (Ceiling and Regulation) Act, 1976 in respect of the Company's holding in excess of the ceiling prescribed under the said Act and the application for exemption filed under section 20 of the said act, to retain these lands are under consideration of the concerned authorities.
- Deferred tax assets for unused tax loss carry forward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carry forwards can be utilised. However In the opinion of the management, there is no future probability of taxable profit in near future foreseeable.
- Previous GAAP figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable with the current year figures.

**Notes to Consolidated Financials Statements for the year ended 31st March, 2018**

- 5 The Principal business of the Company is manufacturing of High/Medium/Low Carbon Ferro Manganese and Silico Manganese Slag which is facing challenges. Company is considering various projects in the manufacturing sector, including therein power generation and distribution. In the mean time the Company has on temporary basis parked the surplus in Fixed Deposits, Open-ended Mutual Funds and other investments. Considering the long term business plans of the Company and the nature of the investments that the Company has made, the Company has been advised that the provisions of Non Banking Finance Company Regulation do not apply to it. Based on these, in the opinion of the Board, the Company is not a Non Banking Finance Company defined in Section 45 I(f) of the Reserve Bank of India Act, 1934 (2 of 1934). The auditor have relied upon this expert advice and the decision of the board of the Board of Directors in this regard.

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**As per our report of even date attached****For Parekh Sharma & Associates**

Chartered Accountants  
Firm Regn. No. 129301W

**Sujesh Sharma**

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

**For and on behalf of the Board of Directors**

**Gautam P. Khandelwal**  
Executive Chairman  
(DIN: 00270717)

**Nimis Sheth**  
Director  
(DIN: 00482739)

**Nidhi Salampuria**  
Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018

**Santosh Khandelwal**  
Chief Financial Officer

## Financial Year ended 31st March, 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

Amount in ₹

Sr No	Name of the Subsidiary Company	The Motwane Manufacturing Company Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries.	N.A
3	Share Capital	44,312,200
4	Reserve & surplus	64,567,221
5	Total Assets	284,831,874
6	Total Liabilities	172,626,807
7	Investments	-
8	Turnover	296,669,970
9	Profit / (Loss) before taxation	666,533
10	Provision for taxation / Income Tax refund of earlier year	-
11	Profit after taxation	666,533
12	Proposed dividend	-
13	Percentage of share holding	76.76%

**Notes:**

Names of subsidiaries which are yet to commence operations :- **NIL**

Names of subsidiaries which have been liquidated or sold during the year:- **NIL**

## Part "B": Associates and Joint Ventures

Statement pursuant to first proviso to sub-section(3) of section 129 of the companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 related to Associate Companies and Joint Ventures is **NIL**.

**As per our report of even date attached**  
**For Parekh Sharma & Associates**

Chartered Accountants  
Firm Regn. No. 129301W

**Sujesh Sharma**

Partner  
M.No. :118944  
Mumbai : 30 May, 2018

**For and on behalf of the Board of Directors**

**Gautam P. Khandelwal**  
Executive Chairman  
(DIN: 00270717)

**Nimis Sheth**  
Director  
(DIN: 00482739)

**Nidhi Salampuria**

Director & Company  
Secretary (ACS 28712)  
Mumbai : 30 May, 2018

**Santosh Khandelwal**  
Chief Financial Officer

## NAGPUR POWER AND INDUSTRIES LIMITED

CIN: L40100MH1996PLC104361

Registered Office: 'Nirmal', 20th Floor, Nariman Point, Mumbai - 400 021.

| Tel# +91 22 2202 3055/66 | Fax# +91 22 2204 3162 |

| Website: www.nagpurpowerind.com | Email id: npil\_investor@khandelwalindia.com |

### ATTENDANCE SLIP

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Regd. Folio No:	*DP ID:
*Client ID:	No. of Shares Held:

Name of the Member : _____	Signature: _____
Name of the Proxy Holder : _____	Signature: _____

I/We hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on **Saturday, September 29, 2018 at 12:30 PM at 20<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai – 400 021**

#### Notes:

1. Only Member/Proxy holder can attend the Meeting.
2. Please complete the Folio No. /DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.

# NAGPUR POWER AND INDUSTRIES LIMITED

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## Proxy Form Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN : L40100MH1996PLC104361  
Name of the Company : Nagpur Power And Industries Limited  
Name of the Member (s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No/Client Id /DP Id : \_\_\_\_\_

I/We, being the Member(s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint

Name: .....	Name: .....	Name: .....
Address: .....	Address: .....	Address: .....
E-mail Id: .....	E-mail Id: .....	E-mail Id: .....
Signature:..... or failing him;	Signature:..... or failing him;	Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on **Saturday, September 29, 2018 at 12:30 PM at 20<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai – 400 021** and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Directors' Report and Auditors Report thereon; and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 together with the Auditors Report thereon.
2. To appoint a Director in place of Ms. Nidhi Salampuria (DIN 07138654), who retires by rotation and, being eligible, offers herself for re-appointment.

Signed this..... day of .....2018

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of the Shareholder

Signature of the Proxy holder(s)

### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 (forty eight) hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

## NAGPUR POWER AND INDUSTRIES LIMITED

CIN L40100MH1996PLC104361

| Regd. Office: 'Nirmal', 20th Floor, Nariman Point, Mumbai-400021|

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| Email: npil\_investor@khandelwalindia.com | Website: www.nagpurpowerind.com |

### BALLOT FORM FORM NO. MGT-12

(Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule No. 21 (1) (c) of the Companies (Management & Administration) Rules 2014

(1) Name(s) of the First Named Shareholder (In block letter) \_\_\_\_\_

(2) Postal address \_\_\_\_\_

(3) Registered folio No/ DP Id No / Client ID : \_\_\_\_\_

(4) Number of Shares held : \_\_\_\_\_

I/we hereby exercise my/our vote in respect of the Ordinary/ Special resolution enumerated below by recording my/our assent or dissent to the said resolutions by placing the tick ( ✓ ) mark at the appropriate box below:

Resolution No.	Description	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
	<b>ORDINARY BUSINESS</b>		
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Directors' Report and Auditors Report thereon; and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 together with the Auditors Report thereon.		
2.	To appoint a Director in place of Ms. Nidhi Salampuria (DIN 07138654), who retires by rotation and, being eligible, offers herself for re-appointment.		

Place:

Date:

**Signature of the Shareholders/Beneficial Owner**

- Note:(i) if you opt to cast your vote by e-voting there is no need to fill up and send this form  
(ii) Last date for receipt of Ballot Form: September 28, 2018  
(iii) Please read the instructions printed overleaf carefully before exercising your vote

**INSTRUCTIONS:**

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. Sanam Umbargikar, Practicing Company Secretary at C-502, Raylon Arcade, Ram Krishna Mandir Road, Next to Pidilite Industries, Kondivita, Andheri East, Mumbai -59 as to reach by 5:00 PM on Friday, September 28, 2018. Ballot Form received thereafter will strictly be treated as if not received.
2. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
3. In case the member casts his votes through both the processes i.e. E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
4. The right of voting by Ballot Form shall not be exercised by a proxy.
5. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., M/s. Link Intime India Private Limited. Members are requested to keep the same updated.
6. There will be only one Ballot Form for every Folio / DP ID & Client ID irrespective of the number of joint members.
7. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
8. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
9. Instructions for e-Voting procedure are available in the Notice of the Annual General Meeting.
10. Members are requested not to send any other paper along with the Ballot Form as all such envelopes will be sent to the Scrutinizer and any extraneous papers found in such envelope would be destroyed by the Scrutinizer.

**Please follow the steps for e-Voting procedure as given in the Notice of AGM or as available on [www.evotingindia.com](http://www.evotingindia.com). In case you have any feedback, queries or issue regarding e voting, please contact [helpdesk.voting@cdslindia.com](mailto:helpdesk.voting@cdslindia.com)**



**To**

If undelivered please return to :

**NAGPUR POWER AND INDUSTRIES LIMITED**

Nirmal, 20<sup>th</sup> Floor, Nariman Point,  
Mumbai-400021.

Cin: L40100MH1996PLC104361

Tel.: 022 - 22023055/66 Fax : 022 - 22043162

Email :npil\_investor@khandelwalindia.com