



**RTS Power Corporation Ltd.**  
**ANNUAL REPORT 2017-18**

*Mortal in Life - immortal in memory*



**Late Surendra Bhutoria (1961-1995)**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Sri Sardul Singh Jain  
Sri Rajendra Bhutoria  
Sri Abhay Bhutoria  
Smt Rachna Bhutoria  
Sri Ram Lal Saini  
Sri Alok Kumar Banthia

Chairman  
Vice Chairman & Whole-Time Director  
Managing Director  
Director  
Director  
Director

### COMPANY SECRETARY

Sri J. Biswas (Upto September 30, 2017)  
Sri Sandip Gupta (Since November 20, 2017)

### AUDITORS

Lodha & Co.  
Chartered Accountants  
14, Government Place (East)  
Kolkata - 700 069

### BANKERS

State Bank of India  
ICICI Bank Limited  
Bank of Baroda  
Canara Bank  
Oriental Bank of Commerce  
YES Bank Limited

### REGISTERED OFFICE

56, Netaji Subhas Road (2nd Floor)  
Kolkata - 700 001  
Phone : (033) 2242-6025, 98310 39925,  
Fax : (033) 2242-6732  
E-mail : headoffice@rtspower.com  
Website : www.rtspower.com

CIN : L17232WB1947PLC016105

### PLANTS

1. Rajasthan Transformers & Switchgears  
(A Unit of RTS Power Corporation Limited)  
Power & Distribution Transformers Unit  
C-174, Road No 9J Vishwakarma Industrial  
Area  
Chomu Road, Jaipur - 302013 (Rajasthan)
2. Rajasthan Transformers & Switchgears  
(A Unit of RTS Power Corporation Limited)  
Power & EHV Division Unit - 132 KV  
Class Transformers, E-346, Road No. 16,  
Vishwakarma Industrial Area  
Jaipur - 302013 (Rajasthan)
3. Rajasthan Transformers & Switchgears  
(A Unit of RTS Power Corporation Limited)  
Distribution Transformers Division  
F 139 to 142 Udyog Vihar, Jetpura, Jaipur  
(Rajasthan)
4. RTS Power Corporation Limited  
Transformer & Speciality Oil Unit  
A-25, 26 RIICO Industrial Area, Kaladera,  
Chomu, Jaipur, (Rajasthan)
5. Rajasthan Transformers & Switchgears  
(A Unit of RTS Power Corporation Limited)  
Power & Distribution Transformers Unit  
Near 14 KM Mile Stone, Mathura Road  
P.O. Artoni, Agra - 282007 (U.P.)
6. RTS Power Corporation Limited  
Power & Distribution Transformers Unit  
Jala Dhulagori, Sankrail, Dhulagori  
Howrah - 711302 (West Bengal)
7. RTS Power Corporation Limited  
Wind Energy Division  
Dhule - Maharashtra
8. RTS Power Corporation Limited  
Wind Energy Division  
Barmer - Rajasthan

### REGISTRAR & SHARE TRANSFER AGENT :

NICHE TECHNOLOGIES PRIVATE LIMITED

D-511, BAGREE MARKET, 5TH FLOOR, 71, B.R.B. BASU ROAD, KOLKATA - 700001

PHONE : (033) 2234-3576, 2235-7270/7271/3070, Fax No. : (033) 2215-6823

E-mail: nichetechpl@nichetechpl.com

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## Directors' Report

Dear Shareholders,

Your Directors have the pleasure in presenting their 70th Annual Report on the business and operations of your Company and the audited Financial Statements of your Company for the year ended March 31, 2018:

### FINANCIAL RESULTS

(₹ In Lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Revenue from Operations</b>	21,318.17	12,071.69
<b>Other Income</b>	207.10	210.95
<b>Total Income</b>	21,525.27	12,282.64
<b>Less : Total Expenses</b>	20,948.75	12,105.07
Profit /Loss Before Tax	576.52	177.57
<b>Less: Tax Expenses</b>		
<b>Current Tax</b>	185.35	62.16
Add: Deferred Tax Charge/Credit	-27.02	-34.01
<b>Profit/Loss for the period</b>	418.19	149.42
Other Comprehensive Income (net of Tax)	49.87	94.80
<b>Profit carried forward</b>	468.06	244.22

### MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT

No material changes and commitments affecting the financial position of your Company occurred between the end of the Financial Year of your Company to which the Financial Statements relate and the date of this Report.

Further it is confirmed that there has been no change in the nature of business of your Company.

### DIVIDEND

The Board of Directors has proposed to retain the entire amount of profit of Rs. 4.68 Crores in Retained Earnings for expansion and further growth of the Company and, therefore, has not recommended payment of any Dividend.

### STATE OF THE COMPANY'S AFFAIRS

#### OPERATIONAL REVIEW

Your Company is pleased to present a much improved operational performance in the current year over the previous Financial Year. Revenue from Operations for the year was Rs 213 crores as compared to Rs 120 crores in the previous year resulting in an increase of 78 percent. Profit Before Tax also saw an increase of 225 percent to Rs 5.76 crores as against Rs 1.77 crores in the previous year. Correspondingly, the carried forward profit also increased to Rs 4.68 crores over Rs 2.44 crores in the previous year.

This year your Company achieved the highest turnover in its history. Your Company's outstanding performance has been due to improved marketing and sales efforts by your Company. Healthy mix of Government and Private Sector orders as well geographical mix in orders executed have led to this superior performance.

The strategy of your Company to be cautious in its borrowings and selective in its order booking has

## Directors' Report

borne fruit. Your Company has managed to almost double its sales without any corresponding increase in bank borrowing or external loans. As a matter of fact your Company has been able to reduce its unsecured loans from Rs 4.71 Crores to Rs 3.01 Crores. Going forward your Company would endeavor to further reduce its external borrowings.

The focus of your Company for the past few years has been on growth and strengthening its financials. The management is committed to the growth of the Company without relying on the external borrowings. Your Company remains focused on achieving higher sales by targeting profitable segments. Demand for your Company's products remain good.

### FUTURE OUTLOOK

India has been witnessing a significant rise in power demand for the past few decades on account of rapid growth in population, industrialization and urbanization. Indian power sector is undergoing a significant change that has redefined the industry outlook. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. Total installed capacity of power stations in India stood at 343.79 Gigawatt (GW) as on April, 2018. The government has taken up various initiatives for electrification of rural pockets of India, which has spurred significant investments in the country's power sector. Notable technological upgrades are underway to reinforce the country's transmission and distribution network, which would continue to drive the demand for power and distribution transformers in India.

According to "India Power & Distribution Transformers Market Forecast & Opportunities, 2020", the power and distribution transformers market in India is projected to grow at a CAGR of over 10% till 2020.

In this scenario your Company expects to sustain its growth in the coming years.

### SHARE CAPITAL

The Paid-up Equity Share Capital as on March 31, 2018 was Rs 8.17 Crores.

During the year under review, your Company has not made any further Issue of Shares.

Your Company has so far neither issued Shares with differential voting rights nor granted Stock Options nor Sweat Equity Shares. Your Company has not made any Buy-back of its own Equity Shares.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Monitoring and control of consumption of sources of energy like power, oil, etc. continued to be a priority area of your Company. Energy conservation procedures also form an important part of your Company's operational practices. No alternative sources of energy has so far been utilized. There is no capital investment during the year under review on energy conservation equipment.

Your Directors have nothing to report in the matter of Technology Absorption since your Company has neither hired nor imported any technology from outside sources. Your Company has no Research and Development (R&D) Department and has not spent any amount on R&D during the Financial Year.

Your Company has made export business and Foreign Exchange earnings (FOB) out of such Export business during this year was Rs. 1014.63 Lacs.

The Foreign Exchange outgo during this year was as follows:

#### Expenditure in Foreign Currency

Foreign Travelling - Rs. 13.47 Lacs

### INDIAN ACCOUNTING STANDARDS

Your Company has adopted Indian Accounting Standards ('Ind AS') with effect from April 1, 2017.

## Directors' Report

Financial Statements for the year ended March 31, 2018 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 and other applicable provisions of the Companies Act, 2013. Previous periods' figures have been re-stated to confirm to Ind AS, for comparative information.

Note No. 49 to the financial statement provides further explanation on the transition to Ind AS.

### GOODS AND SERVICE TAX (GST)

Goods and Service Tax (GST) came into effect from July 1, 2017 through the implementation of One Hundred and First Amendment of the Constitution of India. The Tax replaced existing multiple cascading taxes levied by the Central and State Governments.

Your Company has successfully implemented and migrated to GST followed by the changes across various departments/operations of the Company.

### DIRECTORS

The Board of Directors (the Board) of your Company consists of a balanced profile of Members specializing in different fields that enables the Board to address the various business needs of your Company, while placing very strong emphasis on corporate governance.

#### (a) Appointment /Resignation of Directors

There was no change in Directors of your Company during the year under review.

#### (b) Independent Directors

Your Company has at present two Independent Directors, namely, Sri Sardul Singh Jain (DIN 00013732) and Sri Alok Kumar Banthia (DIN 00528159) which meets the requirements of both the Companies Act, 2013 (the Act) and the Rules made thereunder as well as the provisions contained in Regulation 17(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). They are not liable to retire by rotation.

Your Company has received necessary declarations from the above mentioned Independent Directors under Section 149(7) of the Act confirming that they meet the criteria of independence as prescribed both under Sub-Section(6) of Section 149 of the Act and under Regulation 16(b) of the Listing Regulations.

#### (c) Re-appointment of Managing Director

The Board at its Meetings held on August 10, 2018 and August 14, 2018 has re-appointed Sri Abhay Bhutoria (DIN 00013712) as Managing Director of your Company for a further period of 5(five) years from December 1, 2018 subject to the approval of Members.

A Special Resolution proposing his re-appointment and the payment of remuneration to him is included as part of the Notice convening the forthcoming Seventieth Annual General Meeting.

#### (d) Retirement of Director by rotation

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company Sri Ram Lal Saini (DIN 03534117), Director of your Company will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

#### (e) Meetings of the Board and its Committees

The number and dates of Meetings of the Board and its Committees thereof and the Directors' present therein have been given in the Report on Corporate Governance attached herewith.

## Directors' Report

### (f) Separate Meetings of Independent Directors

As per stipulation in Clause VII of the Code for Independent Directors in Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, a separate Meeting of the Company's Independent Directors was held on October 27, 2017 without the attendance of Non-Independent Directors and members of the Management to review inter alia the performance of Non-Independent Directors and the Board as whole as per the criteria formulated by the Nomination and Remuneration Committee for evaluation of performance of Directors and Board of Directors. They also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### (g) Performance Evaluation of Independent Directors

The performance evaluation of Independent Directors was done by the entire Board of Directors as required under Regulation 17(10) of the Listing Regulations and as per stipulation in Clause VIII of the Code for Independent Directors in Schedule IV of the Companies Act, 2013 in its Meeting held on May 30, 2018, excluding the Independent Director being evaluated as per the criteria formulated by the Nomination and Remuneration Committee (NRC) for evaluation of performance of Independent Directors. On the basis of the Report of performance evaluation by the Board, it shall be determined by NRC whether to extend or to continue the term of appointment of Independent Directors.

### (h) Annual Evaluation of Board, its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations the Board has carried out an annual evaluation of its own performance, of each Board Member individually as well as the working of its Committees .

The manner in which the evaluation was carried out was as follows:

The Nomination and Remuneration Committee of your Company formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to the provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of Listing Regulations covering inter-alia the following parameters, namely:

- i) Board Evaluation - degree of fulfilment of key responsibilities; Board culture and dynamics.
- ii) Board Committee Evaluation - effectiveness of Meetings; Committee dynamics.
- iii) Individual Director Evaluation (including IDs) - contribution at Board Meetings /Committee Meetings.

Further, the Chairman and Managing/Whole-time Director are evaluated on key aspects of their roles which include inter-alia effective leadership to the Board and adequate guidance to the Management team respectively.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee and Individual Directors (including Independent Directors) was evaluated by the Board and found to be satisfactory.

During the year under review, the Independent Directors of your Company reviewed the performance of Non Independent Directors and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Chairman and other Non Independent Directors, including Managing Director and Whole-time Director, bring to the Board, abundant knowledge in their respective fields and are experts in their respective areas. Besides, they are efficient, dynamic, matured, practical and have sufficient knowledge of the Company.

## Directors' Report

The Board as a whole is an integrated, balanced and cohesive platform where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairman has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

The following Policies of the Company are attached herewith marked as **Annexure 'C'** and **Annexure 'D'**, which have also been placed on the Company's corporate Website [www.rtspower.com](http://www.rtspower.com):

- (i) Policy for selection of Directors and determining Directors' independence; and
- (ii) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

### CHANGE IN KEY MANAGERIAL PERSONNEL

During the year there was change in the Key Managerial Personnel of the Company. Sri Jagabandhu Biswas, (ACS 2061) Company Secretary and Compliance Officer of the Company resigned from services with the close of business on September 30, 2017. Sri Sandip Gupta (ACS 5447) was appointed as Company Secretary and Compliance Officer of the Company in the Meeting of the Board of Directors of the Company held on November 20, 2017.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 (the 'Act') and, based upon representations from the Management, the Board, to the best of its knowledge and belief, confirms that:

- I. in the preparation of the Annual Accounts for the year ended March 31, 2018, the applicable Accounting Standards have been followed and there are no material departures from the same;
- II. the Directors 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 as at March 31, 2018 and of the Profit of the Company for the year ended on that date;
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis ,
- V. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively ; and
- VI. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively .

### CORPORATE GOVERNANCE

A separate Report on Corporate Governance in format as prescribed in Part C of Schedule V under Regulation 34(3) of the Listing Regulations forms a part of the Annual Report of your Company and is being attached hereto marked as **Annexure- 'A'**, along with the Auditors' Certificate on its compliance.

### MANAGEMENT DISCUSSION AND ANALYSIS

A Report on Management Discussion and Analysis as stipulated in the Part B of the said Schedule is also attached herewith marked as **Annexure –'B'**.

## Directors' Report

### DEPOSITS

Your Company has not accepted any Deposit within the meaning of Sections 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

No loan or deposit has been taken or accepted from any Director of your Company.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), (including any statutory modification(s)/ re-enactment(s)/amendment(s) thereof, for the time being in force), the dividend which remains unclaimed/unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund Authority ('IEPF') established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 11, 2017 (date of its last Annual General Meeting) on the Company's Website [www.rtspower.com](http://www.rtspower.com) and has also filed Form No IEPF 2 on October 28, 2017 with the Registrar of Companies, West Bengal.

Since the abovesaid last Annual General Meeting, the Company has also transferred unpaid and unclaimed dividend amount in respect of Final Dividend for the Financial Year 2009-2010 to IEPF and filed Form No IEPF 1 on December 13, 2017 with the Registrar of Companies, West Bengal following such transfers.

### TRANSFER OF UNCLAIMED Equity Shares TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) DEMAT ACCOUNT

Pursuant to the IEPF Rules, the shares in respect of which dividend has not been paid/claimed by the Shareholders for seven (7) consecutive years or more, is also required to be transferred to demat account created by the IEPF Authority.

Further, in compliance with the provisions laid down in IEPF Rules, the Company had sent notices and also advertised in the newspapers seeking action from Shareholders who have not claimed their dividends for seven (7) consecutive years or more. Accordingly, for the Financial Year ended March 31, 2009 and 2010, the Company has transferred all corresponding Equity Shares on which Dividend remained unclaimed for a period of seven (7) years, to the Demat Account of the IEPF, the due date of which was November 30, 2017 (as per the Notification issued by Ministry of Corporate Affairs, dated October 16, 2017).

It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules. The voting rights in respect of the above Equity Shares are frozen until the rightful owner claims the Equity Shares. All corporate benefits on such Shares in the nature of Bonus Shares, split shares, Rights etc., shall be credited to 'Unclaimed Suspense Account', as applicable for a period of 7 years and thereafter be transferred in line with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Section 124(5) and Section 124(6) of the Companies Act, 2013.

However, the Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF, i.e. on [www.iepf.gov.in](http://www.iepf.gov.in).

## Directors' Report

Members who have not claimed the dividends declared for the Financial Year March 31, 2011 were notified to lodge their claim on or before September 10, 2018, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already sent individual reminders to all such Members at their registered address in this regard and also published notice in the newspapers as per the IEPF Rules.

In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. It may please be noted that no claim shall lie against the Company once such share(s)/ dividend transferred to IEPF demat account, pursuant to the said Rules.

The Statement containing details of Name, Address, Folio No., Demat Account No. and No. of shares due for transfer to IEPF demat Account is made available on [www.rtspower.com](http://www.rtspower.com). The Shareholders are therefore encouraged to verify their records and claim their dividends, if not claimed.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as provided in Sub Section 3 of Section 92 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 in Form MGT 9 is enclosed, marked as **Annexure 'E'**.

### STATUTORY AUDITORS AND AUDITORS' REPORT

#### STATUTORY AUDITORS

Members at the Sixty Ninth Annual General Meeting of the Company (AGM) held on September 11, 2017 approved the appointment of M/s Lodha & Co., Chartered Accountants (FRN 301051E) as statutory Auditors of the Company for a period of five years commencing from the conclusion of Sixty Ninth Annual General Meeting (AGM) held on September 11, 2017 till the conclusion of 74th AGM of the Company to be held in the year 2022.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any Resolution on ratification of appointment of statutory Auditors.

However, M/s Lodha & Co., Chartered Accountants has confirmed that they are eligible to continue as statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and accordingly M/s Lodha & Co., Chartered Accountants will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2019.

#### REPORTS OF THE STATUTORY AUDITORS

The Notes on Financial Statements of the Company referred to in the Auditors' Report are self-explanatory and do not call for any further comments by the Board. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

### INTERNAL AUDITORS AND THEIR REPORT

#### INTERNAL AUDITORS

The Board has re-appointed, on the recommendation of the Audit Committee, M/s K.S. Bothra & Co, Chartered Accountants (FRN 304084E) as Internal Auditors of your Company to conduct Internal Audit of the functions and activities of your Company for the Financial Year 2018-2019.

## Directors' Report

### REPORTS OF THE INTERNAL AUDITORS

During the Financial Year 2017-2018, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such internal controls.

### COST AUDITORS AND THEIR REPORT

#### COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2014 the Board of Directors of your Company, on the recommendation of the Audit Committee, has appointed M/s K. G. Goyal & Associates (FRN 000024) as Cost Auditors of your Company, with due information to the Central Government by way of filing the prescribed Form No CRA 2 on June 6, 2018, for conducting audit of cost records of your Company for the Financial Year 2018-2019, subject to ratification of their remuneration as approved by the Board, on the recommendation of the Audit Committee, by the Members of the Company in its ensuing Annual General Meeting.

#### REPORT OF THE COST AUDITORS

For the Financial Year ending March 31, 2017, the due date of filing the Cost Audit Report submitted by M/s K.G. Goyal & Associates, Cost Auditors was October 30, 2017 and the same was filed with MCA on October 12, 2017 in XBRL mode.

### SECRETARIAL AUDITOR AND THEIR REPORT

#### SECRETARIAL AUDITOR

The Board has appointed Sri Manoj Prasad Shaw, Proprietor of M/s Manoj Shaw & Co., Practicing Company Secretary (FCS No 5517 C.P. No 4194) to conduct Secretarial Audit for the Financial Year 2017-2018.

#### REPORT OF THE SECRETARIAL AUDITOR

The Secretarial Audit Report for the Financial Year ended March 31, 2018 in the prescribed Form No MR3 is annexed herewith pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 marked as **Annexure 'F'** to this Report.

### PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

The Company has neither given any Loan and Guarantee nor provided any security in terms of Section 186 of the Companies Act, 2013.

Your Company has invested Rs. 1,70,000/-for purchase of 17,000 Equity Shares of Rs 10/-each of Bhutoria Brothers Private Limited during the period under review.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of all contracts/ arrangements/transactions entered into by the Company during the Financial Year with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 are given in Form AOC 2 as prescribed in Rule 8(2) of the Companies (Accounts) Rules, 2014 annexed herewith and marked as **Annexure 'G'**.

During the year the Company has not entered into any contract/arrangement/transaction with any related parties which could be considered material in accordance with the Policy of the Company on materiality of the related party transactions.

All such contracts /arrangements /transactions with any related parties were placed before the Audit

## Directors' Report

Committee and Board, for their approval. Prior omnibus approval of the Audit Committee/ Board is obtained on an annual basis, which is reviewed and updated on quarterly basis.

The Policies on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's corporate website at the link [www.rtspower.com](http://www.rtspower.com)

Your Directors draw attention of the Members to Note No 44 to the Financial Statements which sets out related party disclosures.

A Statement in summary form of transactions with related parties in the ordinary course of business has been periodically placed before the Audit Committee and the Board of Directors for its approval before entering into such transactions or making any amendment thereto during the year under review.

For the current Financial Year 2018-2019, the Audit Committee has given omnibus approval of related party transactions to be entered into by the Company on the basis of criteria laid down by it and approved by the Board of Directors. The Audit Committee reviews on a quarterly basis the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given by it. All such related party transactions for which omnibus approval has been given by the Audit Committee has also been subsequently approved by the Board for the current Financial Year 2018-2019.

### SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

Your Company does not have any Subsidiary, Joint Venture and Associate Company during the year under review. Accordingly, a statement under the provisions of Section 129(3) of the Companies Act, 2013 containing salient features of the financial statements of the Company's subsidiary(ies) in Form AOC-1 is not enclosed.

### PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 (the Rules) are provided in **Annexure 'H'**.

Further the information, as required pursuant to Rule 5(2) and 5(3) of the said Rules, also forms a part of this Annual Report. However, as per the proviso to Section 136(1) of the Act, this Annual Report is being sent to all the Members of the Company excluding the abovesaid information. The said information is available for inspection by Members at the Company's Registered Office during working hours upto the date of the Annual General Meeting. Any Member interested in obtaining such information may also write to the Company Secretary at the Registered Office of the Company.

### AUDIT COMMITTEE

The Audit Committee of the Board of Directors, constituted in terms of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, has been functioning in your Company for a long time.

As on the close of business on March 31, 2018 the Audit Committee comprises of two Non-Executive Independent Directors, Sri S. S. Jain and Sri Alok Kumar Banthia and one Executive Non-Independent Director, Sri R. Bhutoria, Vice Chairman & Whole-time Director of your Company. Sri S.S.Jain is the Chairman of the Committee, who also chaired the Annual General Meeting of your Company held on September 11, 2017. All the Members of the Committee are financially literate and have accounting or related financial management expertise.

The Company's Accounts personnel and representatives of the statutory Auditors as well as Internal Auditors and Cost Auditors are invitees in most of the Meetings of the Audit Committee.

## Directors' Report

Sri Jagabandhu Biswas, Company Secretary was the Secretary to the Committee upto September 30,2017. Sri Sandip Gupta who has been appointed as Company Secretary with effect from November 20, 2017 thereafter acts as the Secretary of the Committee.

All recommendations of the Audit Committee were duly accepted by the Board and there were no instances of any disagreements between the Committee and the Board.

### VIGIL MECHANISM

A Vigil Mechanism, which also incorporates a Whistle Blower Policy in terms of the Listing Regulations, has been established for Directors, Employees and Stakeholders to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy or grievances in accordance with the provisions contained in Section 177 of the Companies Act, 2013 read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations. Such Vigil Mechanism provides for adequate safeguards against victimization of Directors, Employees and Stakeholders who avail of the Vigil Mechanism and also provides for the direct access to the Chairman of the Audit Committee in appropriate or exceptional cases

The Audit Committee, as formed above, oversees the Vigil Mechanism and should any of the Members of the Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

Details in this regard have been disclosed in the Company's corporate website at the link [www.rtspower.com](http://www.rtspower.com).

### CORPORATE SOCIAL RESPONSIBILITY POLICY

Pursuant to Section 135 of the Companies Act, 2013 the Companies (Corporate Social Responsibility) Rules, 2014 are applicable to the Company for the Financial Year 2018-2019.

A Corporate Social Responsibility Committee (CSR Committee) was constituted by the Board of Directors of your Company at its Meeting held on August 14,2018 and a CSR Policy was also formulated.

A brief outline of the Company's CSR Policy including total amount to be spent for the Financial Year 2018-2019 and the details of newly constituted CSR Committee are provided in **Annexure I**, forming part of this Board Report.

The CSR Policy has been hosted in the Company's corporate website at the link [www.rtspower.com](http://www.rtspower.com).

### RISK MANAGEMENT POLICY

Keeping in view of the nature of industry in which your Company is engaged, your Company has all along been conscious of the risk associated with the nature of its business. Senior Management personnel carried out risk identification, risk assessment, risk treatment and risk minimization procedures for all functions of the Company, which are periodically reviewed on an ongoing basis and Board Members are informed about all these from time to time to ensure that executive management controls risk through means of a properly defined framework. The Board of Directors is overall responsible for framing, implementing and monitoring the Company's systems for risk management.

The Board of Directors also oversees that all the risks that the organization faces such as strategic, financial, credit, marketing, liquidity, security, property, goodwill, IT, legal, regulatory, reputational and other risks have been identified and assessed and executive management keeps a vigil on such risks so that it can be addressed properly as soon as possibility of occurrence of any one of such risks arises.

### COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

## Directors' Report

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Your Company's internal control structure showed no reportable material weakness.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status of the Company and its business operations in future.

### PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company has in place 'Policy for Prevention and Redressal of Sexual Harassment' in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (hereinafter referred as "the said Act") and Rules made there under.

Your Directors state that during the year under review, there was no case filed pursuant to The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### GREEN INITIATIVES

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 70th Annual General Meeting of the Company are sent to all Members whose e-mail address are registered with the Company/ Depository Participant(s). For Members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

### APPRECIATION

Your Directors take this opportunity to express their whole-hearted appreciation for the unstinted support and co-operation received from Banks, State Electricity Boards, Government and Semi Government Authorities, Power Utilities, other customers, vendors and Shareholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation to all the Executives, Staffs and Workers at all levels in the Company for their sustained efforts and immense contributions to the good levels of performance and growth that your Company has achieved during the year under review.

Registered Office :  
56, Netaji Subhas Road, 2nd Floor  
Kolkata - 700001  
Dated : August 29, 2018

For and on behalf of the Board of Directors  
**S. S. JAIN**  
Chairman  
DIN : 00013732

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Company's Philosophy on Code of Governance

Corporate Governance continues to be a strong focus area for the Company. Our philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working – workplace management, marketplace responsibility and business decisions.

The Code of Conduct and the governance are based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance.

We consider it our inherent responsibility to disclose timely, adequate and accurate information regarding our financials and performance, as well as leadership and governance of the Company.

### Board of Directors and Board Meetings

The Board of Directors ('the Board') have ultimate responsibility for the management, general affairs, direction, performance and long term success of business as a whole.

#### (a) Composition

As on close of business on March 31, 2018 the Board is headed by a regular Non Executive Chairman and comprises of five other Directors (one Vice Chairman & Whole-time Director, one Managing Director and three Non-Executive Directors, including one woman Director) all of whom have considerable experiences in their own fields.

The day-to-day management of your Company is conducted by the Managing Director and Vice Chairman & Whole-time Director subject to the superintendence, control and directions of the Board.

About sixty seven percent of the Board consists of Non-Executive Directors, including one woman Director and about thirty three percent of the Board are Independent Directors.

As on close of business on March 31, 2018, the composition of the Board satisfies the conditions that Regulations 17(a) and (b) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") have laid down in this regard as also Section 149 of the Companies Act, 2013 ("the Act").

The details of the Directors and their Shareholdings as at March 31, 2018 are given below :

Name of the Directors	Category of Directorship	No. of Shares held in the Company
Sri Sardul Singh Jain	Non-Executive/Independent / Chairman	Nil
Sri Rajendra Bhutoria	Executive / Promoter / Vice Chairman & Whole- time Director	84,900 39,700(Self) 45,200(HUF)
Sri Abhay Bhutoria	Executive / Promoter / Managing Director	1,54,495 53,800(Self) and 1,00,695(HUF)
Smt Rachna Bhutoria	Woman/ Non-Executive/Promoter	38,800
Sri Ram Lal Saini	Non-Executive/ Non-Independent	160
Sri Alok Kumar Banthia	Non-Executive/ Independent	Nil

#### (b) Directorships/Memberships of the Committee of other Companies

Number of other Board of Directors or Board Committees (other than in your company) where

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

Directors of your Company are Directors / Members / Chairman as on the close of business on March 31, 2018 are :

Name of the Directors	No. of Directorship in other Boards	No of Independent Directorships held in other Listed Companies	No. of Membership in other Board Committees	No. of Chairmanship in other Board Committees
Sri Sardul Singh Jain	16	5	8	3
Sri Rajendra Bhutoria	7	Nil	Nil	Nil
Sri Abhay Bhutoria	2	Nil	Nil	Nil
Sri Ram Lal Saini	Nil	Nil	Nil	Nil
Smt Rachna Bhutoria	2	Nil	Nil	Nil
Sri Alok Kumar Banthia	1	Nil	Nil	Nil

The Chairmanship and Membership of Board Committees in other Companies held by Directors as mentioned above, do not include those held, if any, in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies. Chairmanship/ Membership held in Public Limited Companies, whether listed or not, only, therefore, has been considered as per the Listing Regulations. Necessary disclosures regarding Committee positions in other Companies as on March 31, 2018 have been made by the Directors.

In accordance with the Listing Regulations Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees have been considered.

### (c) Board Meetings and Attendance

Details of Board Meetings held during the period from April 1, 2017 to March 31, 2018 and attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) held during the Financial Year ended on March 31, 2018 are given below:

13 (Thirteen) Board Meetings were held during the Financial Year ended March 31, 2018 on April 25, 2017, May 30, 2017, June 15, 2017, August 1, 2017, August 30, 2017, September 14, 2017, October 9, 2017, November 20, 2017, November 28, 2017, December 14, 2017, January 25, 2018 February 13, 2018, and March 31, 2018.

Name of the Directors	Attendance	
	No. of Board Meetings	Last AGM
Sri Sardul Singh Jain	12	Yes
Sri Rajendra Bhutoria	12	Yes
Sri Abhay Bhutoria	13	Yes
Smt Rachna Bhutoria	13	No
Sri Ram Lal Saini	13	Yes
Sri Alok Kumar Banthia	12	Yes

The Board met more than four times and at least once in every Quarter during the Calendar Year 2017. The gap between any two Meetings did not exceed 120 days.

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### (d) Submission of information

Necessary information, where applicable, as mentioned in Part A of Schedule II under Regulation 17(7) of the Listing Regulations has been placed before the Board in each Board Meeting.

### Audit Committee

The terms of reference of the Audit Committee are in line with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, besides other terms as may be referred to it by the Board of Directors.

The Audit Committee of the Board exercises the powers and plays the role and discharges its function as per the abovesaid Regulation of the Listing Regulations and Section of the Companies Act.

As on the close of business on March 31, 2018 the Audit Committee comprised of two Non-Executive Independent Directors, Sri S. S. Jain and Sri Alok Kumar Banthia and one Executive Non-Independent Director, Sri R. Bhutoria, Vice Chairman & Whole-time Director of the Company. Sri S.S.Jain is the Chairman of the Committee, who also chaired the Annual General Meeting of the Company held on September 11, 2017. All the Members of the Committee have knowledge of financial matters and have accounting or related financial management expertise.

The Company's Accounts personnel and representatives of the statutory Auditors as well as Internal Auditors are usually invitees in the Meetings of the Audit Committee.

Shri Jagabandhu Biswas, Company Secretary was the Secretary to the Committee upto September 30, 2017. Sri Sandip Gupta, who has been appointed as Company Secretary with effect from November 20, 2017 is thereafter the Secretary to the Committee.

During the Financial Year ended on March 31, 2018, 5 (Five) Meetings were held on May 30, 2017, June 15, 2017, September 14, 2017, December 14, 2017 and February 13, 2018.

The gap between any two Meetings did not exceed 120 days. Moreover, the requisite Quorum as required by the Listing Regulations was present in all the Meetings held during the abovesaid Financial Year.

Composition of the Audit Committee and the attendance of the Members during the Financial Year ended on March 31, 2018 are furnished below:

Sl. No.	Name of Directors who are Members of the Audit Committee	No. of Meetings held	No. of Meetings Attended
1	Sri Sardul Singh Jain, Chairman	5	5
2	Sri Rajendra Bhutoria, Member	5	5
3	Sri Alok Kumar Banthia, Member	5	5

### Vigil Mechanism

A Vigil Mechanism, which also incorporates a Whistle Blower Policy in terms of the Listing Regulations, has been established for Directors, Employees and Stakeholders to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy or grievances in accordance with the provisions contained in Section 177 of the Companies Act, 2013 read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations. Such Vigil Mechanism provides for adequate safeguards against victimization of Directors, Employees and Stakeholders who avail of the Vigil Mechanism and also provides for the direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

There has not been any case that a person wanted to have an access to the Audit Committee, but has been denied.

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

The Audit Committee, as formed above, oversees the Vigil Mechanism and should any of the Members of the Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

The Policy on Vigil Mechanism and Whistle Blower Policy is available on the Company's Website at the link [www.rtspower.com](http://www.rtspower.com)

### Policy on Prevention of Sexual Harassment At Work Place

The Company has in place a Policy on prevention of sexual harassment at work place in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 covering all employees of the Company. Audit Committee, consisting of two Independent Directors and Vice Chairman and Whole-time Director, has been considered most suitable to look into any complaints in this regard. Hence this Audit Committee should be treated acting as the Internal Complaints Committee for the purpose of this Act set up to redress complaints received regarding sexual harassment. The Audit Committee, however, did not receive any complaint for redressal during the year. No case has been filed pursuant to this Act during the year. The Company carried out awareness programmes against sexual harassment throughout the year.

### Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board of Directors comprises of three Non-Executive Directors, two of them being Independent Directors. The Members of the Committee are Sri Alok Kumar Banthia and Sri S.S. Jain, Non-Executive Independent Directors and Smt Rachna Bhutoria, Non-Executive Promoter Director.

Sri Alok Kumar Banthia, Chairman of the Committee attended the last Annual General Meeting of the Company held on September 11, 2017.

Si Jagabandhu Biswas, Company Secretary was the Secretary to the Committee upto September 30, 2017. Sri Sandip Gupta, who has been appointed as Company Secretary with effect from November 20, 2017 thereafter is the Secretary to the Committee.

The Committee essentially discharges the role as assigned to it by the Board as per Clause A of Part D of Schedule II under Regulation 19(4) of the Listing Regulations, Section 178 of the Companies Act, 2013 (the Act) read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Explanation IV to Part II of Schedule V to the Act.

During the Financial Year 2017-2018 (One) Meeting of the Nomination and Remuneration Committee was held on November 20, 2017 and the attendance of the Members was as follows:

Sl. No.	Name of Directors who are Members of the Nomination and Remuneration Committee	No. of Meeting held	No. of Meeting Attended
1	Sri Alok Kumar Banthia, Chairman	1	1
2	Sri Sardul Singh Jain, Member	1	1
3	Smt Rachna Bhutoria, Member	1	1

### Remuneration to Executive Directors

- Payment of Remuneration to Sri Rajendra Bhutoria, the Whole-time Director of the Company is governed by statutory guidelines and the Company's Service Agreement with him, the terms and conditions of which have been approved by the Nomination and Remuneration Committee, Audit Committee, the Board and Shareholders. His annual remuneration structure for the Financial Year 2017-2018 mainly comprises of-

(i)	Salary	:	₹ 21,00,000/-
(ii)	Contribution to Provident Fund	:	₹ 2,52,000/-

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

(iii)	Perquisites	:	Nil
(iv)	Bonuses	:	Nil
	Service Contract	-	3 (Three) years from 1st April,2017
	Notice Period	-	3 (Three) months'notice from either side
	Stock Option	-	Nil
	Severance Fee	-	3 (Three) months' salary in lieu of Notice
	Pension	-	Nil

### Note :

- (a) Sri Rajendra Bhutoria has agreed that he will not take gratuity and therefore, the same has not been considered.
  - (b) No incentive, fixed or performance linked, is payable to the Whole-time Director
  - (c) Sri Rajendra Bhutoria was re-appointed as Whole-time Director of the Company for a further period of 3(three) years with effect from April1,2017 by the Board and the Shareholders in the Annual General Meeting (AGM) held on September11, 2017 .
2. (II) Payment of Remuneration to Sri Abhay Bhutoria, the Managing Director of the Company is governed by statutory guidelines and the Company's Service Agreement with him, the terms and conditions of which have been approved by the Nomination and Remuneration Committee, Audit Committee, the Board and Shareholders. His annual remuneration structure for the Financial Year 2017-2018 mainly comprises of –
- |       |                                |   |  |
|-------|--------------------------------|---|--|
| (i)   | Salary                         | : | ₹ 23,00,000/-                              |
| (ii)  | Contribution to Provident Fund | : | ₹ 2,76,000/-                               |
| (iii) | Perquisites                    | : | ₹ 2,30,614/-                               |
| (iv)  | Bonuses                        | : | Nil  |
|       | Service Contract               | : | 3 (Three) years from 1st December 2015     |
|       | Notice Period                  | : | 3 (Three) months' from either side         |
|       | Stock Option                   | : | Nil  |
|       | Severance Fee                  | : | 3 (Three) months' salary in lieu of Notice |
|       | Pension                        | : | Nil  |

- Notes :**
- (a) Sri Abhay Bhutoria has agreed that he will not take gratuity and therefore, the same has not been considered.
  - (b) No incentive, fixed or performance linked, is payable to the Managing Director
  - (d) Sri Abhay Bhutoria has been re-appointed as Managing Director of the Company for a further period of 5(five) years with effect from December 1,2018 by the Board subject to the approval of Shareholders in the ensuing Annual General Meeting (AGM) to be held on September 28,2018. The terms and conditions of his re-appointment has been given in the Explanatory Statement to the Notice convening the AGM.

No sitting Fee is paid to the Whole-time Director and Managing Director for attending Meetings of the Board and its Committees

### 3. Remuneration to Non Executive Directors

No remuneration is paid to any Non-Executive Director, except to Sri R L Saini, who gets a consolidated Fee of Rs12 Lacs per annum for rendering consultancy services to the Company on Accounting and Auditing matters in his professional capacity being a Chartered Accountant

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

by profession, which has been approved by the Nomination and Remuneration Committee, Audit Committee, Board and Shareholders. The Non-Executive Directors do not get any sitting Fees for attending Meetings of the Board and its Committees.

4. No Stock Option has been granted to any of the Directors. No Equity Share and convertible instrument was held by Non-Executive Directors as on March 31,2018 except by Sri R. L. Saini and Smt Rachna Bhutoria who held 160 Equity Shares and 38,800 Equity Shares of Rs 10/- each fully paid up respectively in the Company as on that date.
5. Other than what has been stated above, there has been no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company during the year.

All these have been shown in "Criteria of making payments to Non-Executive Directors " as appearing in the Company's corporate website [www.rtspower.com](http://www.rtspower.com)

### Remuneration Policy

In accordance with the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company has formulated a Remuneration Policy for Directors, Key Managerial Personnel and other Employees of the Company, details of which has been annexed to the Directors' Report forming part of the Annual Report for 2017-18.The Policy may be accessed on the Company's corporate website at the link [www.rtspower.com](http://www.rtspower.com).

### Criteria for evaluation of the Board of Directors and its various Committees

The Performance evaluation criteria for Board of Directors and its various Committees laid down by the Nomination and Remuneration Committee and taken on record by the Board of Directors includes:

- (a) For Board Evaluation – degree of fulfillment of key responsibilities, Board culture and dynamics
- (b) For Board Committee Evaluation- effectiveness of Meetings, Committee dynamics

### Criteria for evaluation of Non-Executive Directors including Independent Directors

The Performance evaluation criteria for Non-Executive Directors, including Independent Directors, laid down by the Nomination and Remuneration Committee and taken on record by the Board of Directors includes:

- (a) Attendance and participation in the Board as well as Committee Meetings and General Meetings regularly and timely
- (b) Preparedness for the Meetings
- (c) Understanding and fulfilling the functions as assigned by the Board and the Law
- (d) Taking initiative actively with respect to various areas
- (e) Devoting sufficient time and attention to his professional obligations for informed and balanced decision making
- (f) Commitment to the Board and the Company
- (g) Understanding of the Company and the external environment in which it operates and contributes to strategic direction/decision.
- (h) Raising valid concerns to the Board and constructive and effective contribution to issues/problems/ risks and active participation at Meetings.
- (i) Working together objectively with other Board Members/ Management (as an effective team Member ) and whenever necessary challenging the Management without being confrontational or obstructionist

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

- (j) Not unfairly obstructing functioning of an otherwise proper Board or Committees of the Board.
- (k) Acting within his authority and assist in protecting the legitimate interests of the Company, shareholders and its employees
- (l) Not disclosing confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by Law and at the same time disclosing conflict of interests whenever arises, thus demonstrating highest level of integrity.

### Familiarization Programmes for Independent Directors

In terms of Regulation 25(7) of the Listing Regulations your Company organizes Familiarization Programmes for Independent Directors (IDs) to familiarize them about the Company, their roles, rights and responsibilities in the Company, nature of industry in which the Company operates, business model of the Company and any other relevant information through various programmes.

The Programme aims to provide insights into the Company to enable the IDs to understand its business in depth that would facilitate their active participation in managing the Company and to contribute effectively towards progress and development of the Company. Such Programmes also help them to participate actively and effectively in Board Meetings.

The Familiarization Programmes are broadly divided into two tranches-one at the time of appointment (on induction) and another on an ongoing basis.

The manner in which such Familiarization Programmes are arranged for IDs are available on the Company's corporate website at the link [www.rtspower.com](http://www.rtspower.com).

The details of such Familiarization Programmes imparted to the IDs during the year as well as on cumulative basis till date (in terms of both number of Programmes attended and number of hours spent therein by them) as specified in Regulation 46(2)(i) of the Listing Regulations have also been disclosed on the Company's abovementioned Website.

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee is headed by Sri S.S.Jain, an Independent Non-Executive Director. Other Members of the Committee comprises of Sri Alok Kumar Banthia, an Independent Non-Executive Director and Sri R. Bhutoria, a Non Independent Whole-time Director of the Company.

Sri Sardul Singh Jain, Chairman of the Committee attended the last Annual General Meeting of the Company held on September 11, 2017.

Si Jagabandhu Biswas, Company Secretary was the Secretary to the Committee upto September 30, 2017. Sri Sandip Gupta, who has been appointed as Company Secretary with effect from November 20, 2017 shall act as Secretary to the Committee.

In accordance with the provisions of Section 178 and Regulation 20 of the Listing Regulations the Committee considers and resolves the grievances of the security holders of the Company, including complaints relating to transfer /transmission of Shares, non-receipt of Annual Report, Notice, declared dividends, Share Certificates, etc. and other complaints/grievances.

1(One) Meeting of the Stakeholders Relationship Committee was held on February 12,2018 during the Financial Year 2017-2018 and the attendance of the Members was as follows:

Sl. No.	Name of Directors who are Members of the Stakeholders Relationship Committee	No. of Meeting held	No. of Meeting Attended
1	Sri Sardul Singh Jain, Chairman	1	1
2	Sri Rajendra Bhutoria, Member	1	1
3	Sri Alok Kumar Banthia, Member	1	1

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 the Companies (Corporate Social Responsibility) Rules, 2014 are applicable to the Company for the Financial Year 2018-2019.

A Corporate Social Responsibility Committee (CSR Committee) was constituted by the Board of Directors of your Company at its Meeting held on August 14, 2018 and a CSR Policy was also formulated.

A brief outline of the Company's CSR Policy including total amount to be spent for the Financial Year 2018-2019 and the details of newly constituted CSR Committee are provided in Annexure I, forming part of the Directors' Report.

### Compliance Officer

Sri Jagabandhu Biswas, (ACS 2061) Company Secretary and Compliance Officer of the Company under Regulation 6 of the Listing Regulations resigned as Company Secretary and Compliance Officer of the Company due to his ill health with effect from close of business on September 30, 2017.

Sri Sandip Gupta (ACS 5447) was appointed as Company Secretary and Compliance Officer of the Company under Regulation 6 of the Listing Regulations with effect from November 20, 2017.

### Investors Complaints

No of Shareholders Complaints received during the year 2017-2018	NIL
No of Complaints not resolved to the satisfaction of Shareholders as on March 31, 2018	NIL
No of pending Complaints as on March 31, 2018	NIL

### General Body Meetings

The last three Annual General Meetings of the Company were held as under:-

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed	Details of Special Resolutions passed
69th	2016-2017	Bharatiya Bhasha Parishad 36A Shakespeare Sarani, Kolkata- 700017	11th September, 2017	10.00 A.M.	One	Re- appointment of Sri Rajendra Bhutoria as the Wholtime Director of Company
68th	2015-2016	Hotel Lindsay 8A & 8B Lindsay Street, Kolkata-700087	29th September, 2016	10.00 A.M.	Nil	No Special Resolution was passed
67th	2014-2015	Hotel Lindsay 8A & 8B Lindsay Street, Kolkata-700087	29th September, 2015	10.00 A.M.	One	Re- appointment of Sri Abhay Bhutoria as Managing Director of the Company

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Postal Ballot

Neither any Resolution was put through Postal Ballot last year (2017-2018) nor any Resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting.

No Special Resolution is proposed to be passed through Postal Ballot at present.

Resume and other information regarding the Directors being appointed/reappointed as required under Regulation 26 and Regulation 36(3) of the Listing Regulations as well as Clause 1.2.5 of Secretarial Standard on General Meetings SS-2 have been given in the Notice of the ensuing Annual General Meeting.

### Disclosure Relating to Demat Suspense Account/Unclaimed Suspense Account

The requisite disclosures under Schedule V of the Listing Regulations, 2015 in respect of the unclaimed shares, pursuant to Regulation 39 read with Schedule VI of the Listing Regulations, 2015, are provided herein under:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2017-2018	NIL	NIL
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the Financial Year 2017-2018	NIL	NIL
Transferred to IEPF Demat Account during the year 2017-18	41	3,206
For Financial Year 2008-2009	28	2,082
For Financial Year 2009-2010		
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2017-2018	NIL	NIL

The voting rights in respect of the above 5,288 Equity Shares are frozen until the rightful owner claims the Equity Shares.

All corporate benefits on such Shares in the nature of Bonus Shares, split shares, Rights etc., shall be credited to 'Unclaimed Suspense Account', as applicable for a period of 7 years and thereafter be transferred in line with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Section 124(5) and Section 124(6) of the Companies Act, 2013.

However, the Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF i.e. on [www.iepf.gov.in](http://www.iepf.gov.in)

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Disclosures

- (a) Transactions with related parties, as per requirements of Indian Accounting Standard-24, are disclosed in Notes to Accounts annexed to the Financial Statements.

During FY 2017-18, there were no material related party transactions in terms of Regulation 23 of the Listing Regulations, 2015 which may have potential conflict with the interests of the Company or which are not in the normal course of business. Suitable disclosures as required by the Accounting Standard (IND AS-24) has been made in Annual Report.

The Company's Policy on dealing with related party transactions has been disclosed on the Company's corporate website link [www.rtspower.com](http://www.rtspower.com), as required in terms of the Clause 10(f) of Part C of Schedule V under Regulation 34(3) of the Listing Regulations.

- (b) A Statement containing the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given are also placed before the Audit Committee for its review on a quarterly basis.
- (c) The Company has complied with all the requirements of the Listing Regulations as well as the Regulations and Guidelines prescribed by SEBI. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory Authority for non-compliance of any matter related to Capital Markets during the last three Financial Years.
- (d) The Company has complied with all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended while preparing the Financial Statement.
- (e) The Company has laid down a process of assessing risk management. The scope of function of Audit Committee includes evaluation of the Company's internal financial control and risk management systems.
- (f) CEO/CFO Certificate as specified in Part B of Schedule II under Regulation 17(8) of the Listing Regulations has duly been submitted to the Board.
- (g) All disclosures relating to financial and commercial transactions where Directors and/or their relatives may have potential interest are provided to the Board, and the interested Directors leave the Meeting room and thereby do not participate in the discussion and do not vote on such matters.
- (h) All mandatory requirements have been complied with and the non-mandatory requirements are dealt in this Report.
- (i) There is no inter-se relationship between Directors except Sri Abhay Bhutoria, Managing Director and Sri Rajendra Bhutoria, Vice-Chairman and Whole-time Director who are cousins. Smt Rachna Bhutoria, Director, is the wife of Late Surendra Bhutoria, brother of Sri Abhay Bhutoria, Managing Director and cousin of Sri Rajendra Bhutoria, Vice Chairman and Whole-time Director of the Company.
- (j) The Company is in compliance with the requirements specified in the Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations with regard to Corporate Governance.

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Status of adoption of the non-mandatory requirements

The Company has adopted the following discretionary requirements as prescribed in Sub Regulation (I) of Regulation 27(Part E of Schedule II) of the Listing Regulations as follows:

a. **Non-Executive Chairman's Office**

The Board –The Chairman of the Company is a Non-Executive Director. The Company has adequate facilities at its Registered Office to maintain an office for the Chairman but presently no such entitlement is explicitly given.

b. **Shareholders' Rights**

The quarterly and year to date financial statements are disseminated through Stock Exchanges, published in newspaper and also uploaded on Company's Website.

c. **Modified opinion(s) in Audit Report**

The Company has already a regime of Financial Statements with unmodified audit opinion.

d. **Separate posts of Chairperson and Chief Executive Officer**

Sri Sardul Singh Jain is the Chairman of the Company, being a Non-Executive Independent Director and Sri Abhay Bhutoria is the Managing Director of the Company.

e. **Reporting of Internal Auditors**

Internal Auditors of the Company report directly to the Audit Committee and make representations to the Audit Committee on their Reports. Internal Auditors of the Company are almost a permanent invitee to the Audit Committee Meetings and regularly attend the Meetings.

### Other Items

- The rest of the non-mandatory requirements will be implemented by the Company as and when required and /or deemed necessary by the Board.

### Policy with respect to obligations of Directors and Senior Management

The Company has laid a Policy by virtue of which –

1. all the Directors inform the Company about the Committee positions he or she occupies in other companies and notify changes as and when it takes place.
2. senior management make disclosures to the Board of Directors relating to all material financial and commercial transactions, namely, dealing in shares of the Company, commercial dealings with bodies, if any, which have shareholding of management and their relatives, etc. where they have personal interest that may have a potential conflict with the interest of the Company at large.

### Reconciliation of Share Capital Audit

As stipulated by SEBI a qualified Practicing Company Secretary carries out Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed Equity Share Capital of the Company. This audit is carried out every quarter and the Report thereon is submitted to Stock Exchange where the Company's Equity Shares are listed. The Audit Report confirms that the total listed and paid-up capital is in agreement with the total number of Shares in dematerialized form (held with CDSL and NSDL) and the total number of Shares held in physical form.

### Means of Communication

The Company interacts with Members through multiple channels of communications such as Result Announcement, Annual Report, Company's Website and subject specific communications.

The General Meetings are the principal forum for interaction with the Shareholders where their queries are clarified, future plans of the Company are announced and the Shareholders offer their suggestions for improving performance of the Company.

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

Quarterly Results and Annual audited Results are sent to Bombay Stock Exchange where the Company's Shares are listed. The Company has a Website [www.rtspower.com](http://www.rtspower.com) which is updated from time to time. During the Financial Year the Company has neither displayed any official news release nor made any presentation to the Institutional Investors or Analysts. The Quarterly Results and Annual audited Results were mainly published in the Business Standard in its Kolkata edition (in English) and Dainik Lipi, Kolkata (in Bengali) and also displayed in the Company's aforesaid Website along with all other vital information about the Company relevant from the point of view of Shareholders and Investors.

### General Shareholders Information

#### ANNUAL GENERAL MEETING

**Day, Date and Time** : Friday, September 28, 2018 at 10.00 A.M.

**Venue** : Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata, - 700017

**Financial Year** : April 1 to March 31.

#### Financial Calendar

Board / Audit Committee Meetings for approval of :	Expected Date
April 2018 – June 2018 Quarterly Results	Within August 14, 2018
July 2018 – September 2018 Quarterly Results	Within November 14 ,2018
October 2018– December 2018 Quarterly Results	Within February 14 ,2019
January 2019– March 2019 Quarterly Results & Financial Year 2018-19 audited Annual Results	Within May 30, 2019

#### Date of Book Closure

The dates of Book Closure are from Saturday, September 22, 2018 to Friday, September 28, 2018, both days inclusive, for the Annual General Meeting.

#### ISIN Number for NSDL and CDSL

ISIN No. – INE005C01017

#### Stock Code and Existing Listing on Stock Exchange

BSE Limited, Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001  
Telephone No : +91 (022) 2272 1233/34  
Fax No: +91 (022) 2272 1919  
Website: [bseindia.com](http://bseindia.com)

**Stock Code** - 531215

#### Listing

Your Company's Shares continue to be listed on Bombay Stock Exchange. The Company entered into fresh Listing Agreement with BSE on February 15, 2016 in terms of the Listing Regulations.

#### Payment of Listing Fees

Annual Listing Fees for the year 2018-2019 have been paid by the Company to BSE Limited

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Payment of Custodial Fees

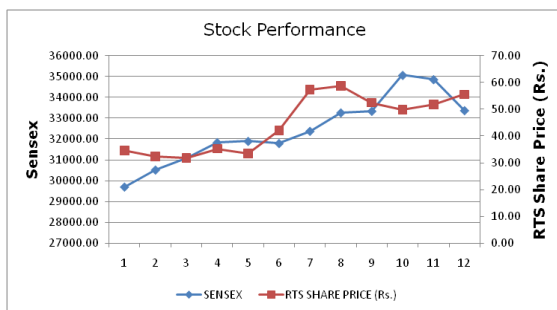
Annual Custodial Fees for the year 2018-2019 have been paid by the Company to both CDSL and NSDL

### Market Price Data

Market Price Data (High/Low) during each month in the year 2017-18

Month	B S E		
	High (₹)	Low (₹)	Volume (Nos.)
April'17	37.95	31.55	45,933
May'17	36.00	29.00	20,340
June'17	33.85	30.00	26,172
July'17	38.90	31.85	45,851
August'17	37.45	29.75	14,185
September'17	53.80	30.60	1,92,306
October'17	68.35	46.30	1,62,537
November'17	64.05	53.40	69,057
December'17	59.00	46.00	44,328
January'18	53.80	46.00	69,139
February'18	66.40	37.30	1,11,540
March'18	62.80	48.30	44,986

### Share price performance compared with broad based indices



### Registrar & Share Transfer Agent

**M/s. Niche Technologies Pvt. Ltd.**

D-511, Bagree Market, 5th Floor

71 B.R.B. Basu Road, Kolkata -700001

Phone: (033) 2234-3576, 2235-7270/7271

Fax : (033) 2215-6823

E Mail: nichetechpl@nichetechpl.com

Website : www.nichetechpl.com

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Share Transfer System

The Share transfers in physical form are at present processed and the Share Certificates are returned, duly transferred in favour of transferees, subject to all the documents being in order. Share transfers under objection are returned immediately. The Stakeholders Relationship Committee of the Board of Directors meet to consider the Share transfer proposals in physical form, whenever received by the Company or its Registrar & Share Transfer Agent.

### Shareholding Pattern as on March 31, 2018

Category	No. of Shares	% of Total
<b>A. PROMOTERS' HOLDING</b>		
<b>1. PROMOTERS</b>		
INDIAN PROMOTERS	54,93,256	67.25
FOREIGN PROMOTERS	NIL	NIL
<b>2. PERSON ACTING IN CONCERT</b>	NIL	NIL
<b>SUB - TOTAL</b>	<b>54,93,256</b>	<b>67.25</b>
<b>B. NON-PROMOTERS' HOLDINGS</b>		
<b>3. INSTITUTIONAL INVESTORS</b>		
a. MUTUAL FUNDS & UTI	NIL	NIL
b. BANKS, FIS, INSURANCE COS. (CENTRAL/ STATE GOVT. INSTITUTIONS / NON-GOVT. INSTITUTIONS )	NIL	NIL
c. FIs	NIL	NIL
<b>SUB-TOTAL</b>	<b>NIL</b>	<b>NIL</b>
<b>4. OTHERS</b>		
a. PRIVATE CORPORATE BODIES	12,39,394	15.17
b. INDIAN PUBLIC	10,55,101	12.92
c. NRIS / OCBS	7,259	0.09
d. ANY OTHER - CLEARING MEMBERS	3,68,202	4.51
d. IEPF Authority	5,288	0.06
<b>SUB - TOTAL</b>	<b>26,75,244</b>	<b>32.75</b>
<b>GRAND - TOTAL</b>	<b>81,68,500</b>	<b>100.000</b>

### Distribution of Share Holding as on March 31, 2018

No. of Equity Shares held	Total No. of Shares	% of Holding	No. of Shareholders	% of Shareholders
Upto - 500	2,46,440	3.0170	2181	85.7986
501 - 1,000	1,23,380	1.5104	155	6.0976
1,001 - 5,000	3,27,958	4.0149	156	6.1369
5,001 - 10,000	82,183	1.0061	12	0.4721
10,001 - 50,000	5,99,122	7.3345	25	0.9835
50,001 - 1,00,000	3,85,977	4.7252	5	0.1967
1,00,001 - And Above	64,03,440	78.3919	8	0.3147
<b>TOTAL</b>	<b>81,68,500</b>	<b>100</b>	<b>2542</b>	<b>100</b>

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## Report on Corporate Governance (Annexure 'A' to Directors' Report)

### Dematerialization of Shares & Liquidity

The Company's Shares are compulsorily traded in dematerialized form. The Shares are available for trading with either of the two Depositories in India – National Securities Depositories Limited and Central Depository Services (India) Limited, under ISIN: INE005C01017.

As on March 31, 2018 about 99.93% of the total number of Equity Shares of the Company were in dematerialized form. The entire Promoters' Group shareholding of the Company is in dematerialized form.

### Risk Management

Keeping in view of the nature of industry in which your Company is engaged, your Company has all along been conscious of the risks associated with the nature of its business. Senior Management personnel carried out risk identification, risk assessment, risk treatment and risk minimization procedures for all functions of the Company, which are periodically reviewed on an ongoing basis by the Audit Committee and Board Members are informed about all these from time to time to ensure that executive management controls risk through means of a properly defined framework. The Board of Directors is overall responsible for framing, implementing and monitoring of the Company's systems for risk management.

The Board of Directors also oversees that all the risks that the organization faces such as strategic, financial, credit, marketing, liquidity, security, property, goodwill, IT, legal, regulatory, reputational and other risks have been identified and assessed and executive management keeps a vigil on such risks so that it can be addressed properly as soon as possibility of occurrence of any one of such risks arises.

### Code of Conduct

The Company has framed and adopted a Code of Business Conduct and Ethics for Members of the Board, including Independent Directors and Senior Management Personnel relating to their duties and responsibilities, duties of Independent Directors, conflict of interest, corporate opportunities, statutory compliance, financial reporting and records, integrity of data furnished, confidentiality and behaviours.

All Directors and Senior Management Personnel have affirmed compliance during the year 2017-2018 with the provisions of the Code and a declaration from the Managing Director to that effect is attached to this Report.

### Code for Prevention of Insider Trading Practices

In compliance with the SEBI Regulation on prevention of insider trading, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with Shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the Shares of the Company only during "Trading Window Open Period". As per the code the trading window is closed during the time of declaration of results, dividend and material events.

Two new sets of Codes i.e. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by Insiders had been adopted by the Board in 2016, in supersession of the earlier ones, in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code of Business Conduct and Ethics, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by Insiders are available on the Website of your Company.

### Disclosure of events or information pursuant to SEBI Listing Regulations, 2015

Pursuant to Regulation 30(1) of the Listing Regulations, the Board of Directors of the Company at its Meeting held on February 12, 2016 had approved and adopted the Policy for Determination of

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

Materiality of any event/information for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s) and since then the said Policy is available on the Company's Website www.rtspower.com.

The Board at the aforesaid Meeting also approved that for determination of Materiality of events/information and for the purpose of making disclosures to Stock Exchange, the Committee of Key Managerial Personnel shall comprise of the following Managerial Personnel of the Company:

Name	Designation
Sri Rajendra Bhutoria	Vice Chairman and Whole-time Director
Sri Abhay Bhutoria	Managing Director
Sri Jagabandhu Biswas	Company Secretary & Compliance Officer

After the resignation of Sri Jagabandhu Biswas as the Company Secretary of the Company at the close of business on September 30, 2017 and subsequent appointment of Sri Sandip Gupta in his place in the Board Meeting held on November 20, 2017, the Board in its Meeting held on March 31, 2018 have authorized the following Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures of the same to Stock Exchange until further notice:

Name	Designation	Contact details
Sri Rajendra Bhutoria	Vice-Chairman & Whole-time Director	Phone No : +91(033) 2242-6025, 9831039925 E-mail Address :headoffice@rtspower.com
Sri Abhay Bhutoria	Managing Director	Phone No : +91 (0141) 2330269 (0141) 2330405 E-mail Address : jaiপুরrts@rtspower.com
Sri Sandip Gupta	Company Secretary & Compliance Officer	Telephone No :+91 (033) 2242-6025, 9831039925 E-mail Address:headoffice@rtspower.com

**Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity - NIL**

**Commodity price risk or foreign exchange risk and hedging activities** - The Company is applying a prudent hedging strategy in covering its foreign exchange risk arising out of its Exports.

### Plant Locations

- |  |   |
|--|---|
| <p>a Rajasthan Transformers &amp; Switchgears<br/>(A Unit of RTS Power Corporation Limited)<br/>Power &amp; Distribution Transformers Unit<br/>C-174, Road No 9J Vishwakarma Industrial Area, Chomu Road,<br/>Jaipur -302013 (Rajasthan)</p> | <p>b Rajasthan Transformers &amp; Switchgears<br/>(A Unit of RTS Power Corporation Limited)<br/>Power &amp; EHV Division Unit-132 KV Class Transformers<br/>E-346, Road No. 16, Vishwakarma Industrial Area,<br/>Jaipur -302013 (Rajasthan)</p> |
| <p>c Rajasthan Transformers &amp; Switchgears<br/>(A Unit of RTS Power Corporation Limited)<br/>Distribution Transformers Division<br/>F 139 to 142 Udyog Vihar,<br/>Jetpura, Jaipur (Rajasthan)</p>   | <p>d RTS Power Corporation Limited<br/>Transformer &amp; Specialty Oil Unit<br/>A-25, 26 RILCO Industrial Area,<br/>Kaladera, Chomu,<br/>Jaipur, (Rajasthan)</p>  |

## Report on Corporate Governance (Annexure 'A' to Directors' Report)

- |   |   |   |   |
|---|---|---|---|
| e | Rajasthan Transformers & Switchgears<br>(A Unit of RTS Power Corporation Limited)<br>Power & Distribution Transformers<br>Unit, Near 14 KM Mile Stone, Mathura<br>Road, P.O.Artoni, Agra - 282007 (U.P) | f | RTS Power Corporation Limited<br>Power & Distribution Transformers Unit<br>Jala Dhulagori, Sankrail, Dhulagori,<br>Howrah - 711302<br>(West Bengal) |
| g | RTS Power Corporation Limited<br>Wind Energy Division<br>Dhule (Maharashtra)  | h | RTS Power Corporation Limited<br>Wind Energy Division<br>Barmer (Rajasthan)   |

### Address for Correspondence

Shareholders are requested to make the correspondences relating to their Shareholdings to the Registrar and Share Transfer Agent:

#### M/s. Niche Technologies Pvt. Ltd.

D-511 Bagree Market, 5th Floor  
71 B. R. B. Basu Road, Kolkata – 700 001  
Phone: (033) 2234-3576, 2235-7270/7271  
Fax: (033)22156823  
E mail: nichetechpl@nichetechpl.com

In case any Shareholder is not satisfied with the response or do not get any response within a reasonable period from the Registrar and Share Transfer Agent, they shall approach to Company Secretary and Compliance Officer at the Registered Office of the Company :

56, N. S. Road, 2nd Floor, Kolkata - 700001  
Phone : +91 (033) 2242-6025, 9831039925  
Fax : (033) 2242-6732  
E-mail : headoffice@rtspower.com

**Auditors' Certificate on Corporate Governance**

As required under Clause E of Schedule V of the Listing Regulations, the Auditors' Certificate on the Company's compliance of conditions of the Corporate Governance norms is attached.

For and on behalf of the Board of Directors

Registered Office :

56, Netaji Subhas Road, 2nd Floor

Kolkata - 700 001

Dated : August 29, 2018

**SARDUL SINGH JAIN**

*Chairman*

DIN 00013732

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**Certificate of Compliance with the Code of Conduct Policy**

As required under Clause D of Schedule V of the Listing Regulations, it is confirmed that all the Directors and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics of the Company during the year 2017-2018.

For **RTS POWER CORPORATION LIMITED**

Registered Office :

56, Netaji Subhas Road, 2nd Floor

Kolkata - 700 001

Dated : August 29, 2018

**ABHAY BHUTORIA**

*Managing Director*

DIN 00013712

## Independent Auditor's Certificate on Corporate Governance

### TO THE MEMBERS OF RTS POWER CORPORATION LIMITED

1. We have examined the compliance of conditions of Corporate Governance by RTS Power Corporation Limited ('the Company'), for the year ended on 31 March 2018, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

#### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2018.
8. 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.

#### Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

**H. K.Verma**  
Partner

Place: Kolkata  
Date: August 29, 2018

Membership No: 055104

## Management Discussion and Analysis (Annexure 'B' to Directors' Report)

### Industry Structure and Developments

Power plays a very important role in the country's economy for a sustained economic growth. Your Company is manufacturing Power & Distribution Transformers, Cables and Conductors of various capacities which are major and indispensable equipment for generation, transmission and distribution of electricity in the country.

The growth of Electrical Equipment Industry mainly depends upon progress of Power Generation, Transmission & Distribution Sector. The Domestic Power Sector is growing at a reasonable pace and is poised for further growth in the near future. The Government's policy of giving priority to the development of the Power Transmission and Distribution Segment has contributed for development of the Indian Electrical Equipment Industry. Your Company too, being in the Transformer, Cable & Conductor sector, is also trying to reap advantage of the greater Governmental focus on the Power Sector.

### Opportunities and threats

With the Government of India's current Policy and Programme of giving thrust on Power Sector, the Electrical Equipment Industry in India is poised for growth. The demand for smaller size of Distribution Transformers has also increased due to Central and State Government's rural electrification Programmes namely Deen Dayal Upadhyaya Gram Jyoti Yojana and Integrated Power Distribution Scheme. Coupled with the above, the Central Government has launched the Subhagya Yojana for last mile connectivity in India. This scheme looks at Individual household electrification rather than only village electrification-that is taking electricity to each Indian. All these opportunities will help the Industry which was struggling hard with various problems for past few years to recover.

There have been expansions by various companies in the Electrical Equipment Industry resulting in stiff competition and unviable prices. Therefore, the selling prices were under constant pressure. The increase in cost of inputs like CRGO steel, copper, bushings, etc and payment problem from SEBs are causes for concern. Imports from China in particular is posing a real threat.

There is a strong base of about 400 Transformer and Cable and Conductor Companies in the organized Sector in India. Besides meeting the domestic requirement, India is exporting Transformers and Cables to over 50 countries covering North America, Europe, Africa, South East Asia and the Middle East countries. Continued inflation, volatile commodity prices, tight liquidity, increased financing costs, delayed finalization of Orders, delayed inspection of finished products by customers, etc. are threats for satisfactory sales growth and proper margins.

Delay in payments from utilities and intense price competition has resulted in many large transformer/cable conductor units becoming unprofitable. Consequently many have defaulted on debt repayments and either closed down completely or have gone for restructuring of their debts. With the introduction of the Insolvency and Bankruptcy Act, many of your Company's competitors have been referred to the NCLT. Your Company with a very low gearing and conservative debt structure has faced no such problems. The Management continues to remain conservative and prudent in its external borrowings. In fact over the past few years, your Company has significantly reduced its Debt. Even with significant increase in turnover, your Company does not plan to increase its credit limits with the Banks. Any additional requirement of funds can be made by internal generation and infusion of funds by promoters.

## Management Discussion and Analysis (Annexure 'B' to Directors' Report)

### Segment-wise or Product-wise Performance

PARTICULARS	SALES (GROSS)	
	Year ended 31.3.2018 (₹)	Year ended 31.3.2017 (₹)
<b>Electrical Equipment- Transformers and Cable Conductors.</b>	<b>2,04,76,90,189</b>	84,36,28,617
<b>Wind Energy</b>	<b>1,24,08,352</b>	1,19,01,324
<b>Others</b>	<b>1,06,49,740</b>	30,18,85,784

### Outlook

#### (a) Electrical Equipment: Transformers and Cable Conductors:

The Government of India's plan of electrifying each and every village in rural areas through Deen Dayal Upadhyaya Gram Jyoti Yojana and Integrated Power Distribution Scheme will boost the demand of Distribution Transformers. Coupled with these schemes, the recently lauched Saubhagya Yojana, augurs well for our sector.

However, unhealthy competition from various Transformer and Cables/Conductor manufacturing Units in the unorganized Sector is posing problems to the organized Sector, like your Company, resulting in under utilization of production capacities and therefore, the selling prices are constantly under pressure.

The Transformer industry has gone through a lot of upheavals and structural changes in the last couple of years. However, things have now stabilized and the new energy efficient regime is here to stay. Your Company is proud to inform you that it is today one of the few companies which are qualified by the Power Grid Corporation of India Limited and the National Thermal Power Corporation Ltd as an approved vendor for supplying transformers under the DDUGY and IPDS Schemes.

The Government of India introduced the mandatory Bureau of Indian Standards (BIS) labelling a few years ago. All units of your company are registered under this certification.

Your Company's continued effort in exploring export market has been fruitful and your Company has now stabilized its export markets. The Company expects better growth in this Segment in the years to come. This year your company made some breakthrough in this segment and has started exporting to some newer territories in Africa and neighboring Countries.

Cable and Conductor's have had historically low selling prices and wafer thin margins. Your Company had therefore reduced its dependence on the same. However, this year, your Company's focus on value added products such as Railway Signaling Cables within this Segment has borne fruit and has resulted in increased turnover and profitability of this Segment. Your Company intends to focus on niche areas to grow in this line of business.

#### (b) Wind Mill

Your Company's Wind Mill division continues to do well. Both the Dhule and Barmer Unit have repaid all their debts owed to the Banks. This Division of your Company being completely debt free, has become a source of free Cash Flow for the Company. Your Company is availing Income Tax benefit under Section 80 IA of the Income Tax Act, 1962. Your Company is satisfied with the working of this division and if opportunities arise may look at strategic options in this sector.

## Management Discussion and Analysis (Annexure 'B' to Directors' Report)

### Internal Control Systems and their adequacy

The philosophy being followed with regard to Internal Control Systems and their adequacy has been formulation of effective systems, commensurate with the Company's size and nature of its operations and their strict implementation to ensure that assets and interest of the Company are safeguarded and checks and balances are in place to determine the accuracy and reliability of the accounting data.

The Company has a well-established and comprehensive Internal Control structure to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, that transactions are properly authorized, recorded and reported correctly and that operations are conducted in an efficient and cost effective manner and that all applicable laws and regulations are complied with.

Your Company has proper and adequate system of Internal Control in all areas of its operations. This Internal Control System are regularly reviewed and monitored. The Audit Committee of the Board of Directors supervises the functioning and effectiveness of Internal Controls.

### Financial Performance

(Rs in Lacs)

PARTICULARS	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>Total Income</b>	<b>21,525.27</b>	<b>12,282.63</b>
<b>EBITDA</b>	<b>1635.30</b>	<b>1024.40</b>
<b>(Profit Before Tax (PBT</b>	<b>576.52</b>	<b>177.56</b>
<b>(Profit After Tax (PAT</b>	<b>418.19</b>	<b>149.42</b>

### Operational Performance

Your Company is pleased to present a much improved operational performance in the current year over the previous Financial Year. Revenue from Operations for the year was Rs 213 crores as compared to Rs 120 crores in the previous year resulting in an increase of 78 percent. Profit Before Tax also saw an increase of 225 percent to Rs 5.76 crores as against Rs 1.77 crores in the previous year. Correspondingly, the carried forward profit also increased to Rs 4.68 crores over Rs 2.44 crores in the previous year.

This year your Company achieved the highest turnover in its history. Your Company's outstanding performance has been due to improved marketing and sales efforts by your Company. Healthy mix of Government and Private Sector orders as well geographical mix in orders executed have led to this superior performance.

The strategy of your Company to be cautious in its borrowings and selective in its order booking has borne fruit. Your Company has managed to almost double its sales without any corresponding increase in bank borrowing or external loans. As a matter of fact your Company has been able to reduce its unsecured loans from Rs 4.71 Crores to Rs 3.01 Crores. Going forward your Company would endeavor to further reduce its dependence on external borrowings.

The focus of your Company for the past few years has been on growth while strengthening its financial profile. The management is committed to the growth of the Company without relying on the external borrowings. Your Company remains focused on achieving higher sales by targeting profitable segments. Demand for your Company's products remain good.

## Management Discussion and Analysis (Annexure 'B' to Directors' Report)

It is the firm belief of your Company that the quality of sales matters as much as the volume of sales. Therefore moving forward your Company will continue to try and grow on the back of profitable orders.

As a result of this healthy growth your Company has managed to grow its EBITDA from 10.24 Crores to 16.35 Crores. This represents an increase of approximately 60%. The PBT and PAT of your Company have also registered significant increases as can be seen from the table above.

### Material developments in Human Resources / Industrial Relations front

Employee Relations scenario of your Company continues to be excellent.

Your Company would like to record its appreciation of the wholehearted support and dedication from employees at all levels numbering 56 as on March 31,2018 in maintaining its operation and functioning during the period under review.

For and on behalf of the Board of Directors

Registered Office :

56, Netaji Subhas Road, 2nd Floor

Kolkata - 700 001

Dated : August 29, 2018

**SARDUL SINGH JAIN**

*Chairman*

DIN 00013732

## Policy for Selection of Directors and determining Directors' independence (Annexure 'C' to Directors' Report)

### INTRODUCTION

The Board of Directors of the Company (the Board) consists of a balanced profile of Members specializing in different fields that enables it to address the various business needs of the Company, while placing very strong emphasis on corporate governance.

The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The Company has at present an optimum combination of Executive, Non-Executive and Independent Directors which too complies with the Companies Act, Rules made thereunder and the Listing Regulations.

This Policy sets out the Guidelines for the Nomination and Remuneration Committee (the NRC) and the Board for identifying persons who are qualified to become Directors or are suitable for appointment as Director of the Company and to determine the independence of Directors for Independent Directors of the Company.

### POLICY

#### 1. Qualifications Criteria

- (a) Before appointment of a person as a Director, NRC and the Board shall ensure that the person concerned has appropriate skill, knowledge and experience required to be a Member of the Board. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.
- (b) In evaluating the suitability of an individual to be a Board Member, NRC and the Board shall take into consideration the following factors :
  - (i) Educational and professional background
  - (ii) Relevant expertise and experience
  - (iii) Personal and professional ethics, integrity and values;
  - (iv) Readiness to devote sufficient time and energy in carrying out his duties and responsibilities
- (c) The proposed Director shall :
  - (i) not be disqualified under the Companies Act, 2013 and gives a declaration to that effect;
  - (ii) give his written consent to act as a Director of the Company
  - (iii) possess a Director Identification Number;
  - (iv) abide by the Code of Conduct established by the Company for Directors, Independent Directors and Senior Management Personnel;
  - (v) disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals or other entity, including his shareholding at the first Meeting of the Board in every Financial Year and thereafter whenever there is a change during the Financial Year in the disclosures already made;
  - (vi) Comply with such other requirements as may be prescribed, from time to time in future, under the Companies Act, 2013, Rules made thereunder, Listing Regulations and other laws as applicable.

## Policy for Selection of Directors and determining Directors' independence (Annexure 'C' to Directors' Report)

### 2. Independence Criteria

(a) NRC shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall also assess continuity/ maintenance of independence whenever any new interests or relationships are disclosed by a Director.

(b) The Companies Act, 2013 and Listing Regulations sets out the following criteria of independence for a person to be an Independent Director :

An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director—

(i) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(ii) (a) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(b) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(iii) Who, apart from receiving Directors remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(iv) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(v) who, neither himself nor any of his relatives—

I. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

II. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

III. holds together with his relatives two per cent or more of the total voting power of the company; or

IV. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts or corpus from the company, any of its promoters, directors or its holding, subsidiary or

## Policy for Selection of Directors and determining Directors' independence (Annexure 'C' to Directors' Report)

- associate company or that holds two percent or more of the total voting power of the company; or
- V. is a material supplier, service provider or customer or a lessor or lessee of the company.
- (vi) who shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- (vii) who shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013 and the Listing Regulations
- (viii) who is not less than 21 years of age.
- (c) The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013
- (d) Every Independent Director shall at the first Meeting of the Board in which he participates as a Director and thereafter at the first Meeting of the Board in every Financial Year or whenever there is any change in the circumstances which may affect his status as an Independent Director, gives a declaration that he meets the criteria of independence as mentioned above.

### 3. Criteria for Making Effective Contribution

Before making its recommendation to the Board for appointment of an individual as a Director of the Company, NRC shall take into consideration his Directorships/ Committee Memberships in other companies because Directors are expected to give sufficient time and energy to the Company for his effective contribution as a Board Member.

The Companies Act 2013, and the Listing Regulations already stipulates the following restrictions in this regard:

- A Director shall not serve as Director, including as alternate Director, in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- A Director shall not serve as an Independent Director in more than 7 Listed Companies, and in more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- A Director shall not be a Member in more than 10 Committees or act as Chairperson of more than 5 Committees across all the companies in which he holds directorships.

For the purpose of considering the limit of the Committee Chairpersonship and Membership, Chairpersonship and Membership of Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies only, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

For and on behalf of the Board of Directors

Registered Office :

56, Netaji Subhas Road, 2nd Floor  
Kolkata - 700 001

Dated : August 29, 2018

**S. S. JAIN**

*Chairman*

DIN : 00013732

## Remuneration Policy for Directors, Key Managerial Personnel and Other Employees (Annexure 'D' to Directors' Report)

### Introduction

The Company gives importance of meeting the business objectives along with fulfilling of individual objectives of employees and their aspirations. The Company has accordingly formulated the Remuneration Policy for its Directors, Key Managerial Personnel and other employees ensuring that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and employees of the qualities required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and
- (c) remuneration of Directors, Key Managerial Personnel and employees involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

### Policy

This Policy sets out a broad guidelines for the Nomination and Remuneration Committee (NRC) for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company and for the Board to finally determine the same.

#### A. Remuneration of Executive Directors and Key Managerial Personnel

- (1)(a). The Board shall review and approve the remuneration as recommended by NRC to be payable to the Executive Directors of the Company within the overall limits under the Companies Act and Schedule thereto, which shall be finally approved by the shareholders
- (1)(b) (i) While recommending to the Board the remuneration payable by the Company to Executive Directors in case of absence or inadequacy of profits of the Company, NRC shall :-
  - (a) take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.
  - (b) be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders
- (ii) In case of absence or inadequacy of Profit, the Board shall fix the remuneration of the Executive Directors, keeping in view the recommendation of NRC, but within the limits specified in the Companies Act and Schedule V thereto, at such amount or percentage of profits of the Company, as it may deem fit and while fixing the remuneration, the Board shall have regard to –
  - (a) the financial position of the company;
  - (b) the remuneration or commission drawn by the individual concerned in any other capacity;
  - (c) the remuneration or commission drawn by him from any other company;
  - (d) professional qualifications and experience of the individual concerned;
  - (e) such other matters as may be prescribed under the Companies Act and Schedule thereto

## Remuneration Policy for Directors, Key Managerial Personnel and Other Employees (Annexure 'D' to Directors' Report)

- (2) The remuneration structure of the Executive Directors and Key Managerial Personnel shall include the following components:
  - (i) Salary
  - (ii) Perquisites and Allowances
  - (iii) Retiral benefits
  - (iv) Annual Bonus
- (3) The Board shall also review and approve the remuneration as recommended by NRC to be payable to the Key Managerial Personnel of the Company.
- (4) The annual plan and Objectives for Executive Directors, Key Managerial Personnel and Senior Executives shall be reviewed by the NRC and annual increments /increases in their salaries will be recommended by the NRC to the Board for its approval based on their achievements against the annual plan and Objectives.

### B. Remuneration to other Employees

Employees shall get remuneration according to their nature of jobs, qualifications, work experience, competencies as well as their roles and responsibilities in the organization. Annual increments shall be based on various factors , such as , their performance in the last year, job profile, skill sets, seniority, experience , attitude, behavior pattern ,commitments to their jobs, etc. Their promotions in respective deserving cases according to the needs of the Company will also be based on the abovesaid criteria.

For and on behalf of the Board of Directors

Registered Office :

56, Netaji Subhas Road, 2nd Floor  
Kolkata - 700 001

Dated : August 29, 2018

**S. S. JAIN**

*Chairman*

DIN : 00013732

## Extract of Annual Return (Annexure ' E' to Directors' Report )

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31st March, 2018**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)**  
**of the Companies (Management and Administration) Rules, 2014]**

I	<b>REGISTRATION AND OTHER DETAILS</b>	
i	CIN	L17232WB1947PLC016105
ii	Registration Date	12.12.1947
iii	Name of the Company	RTS POWER CORPORATION LIMITED
iv	Category / Sub-Category of the Company	A Public Company limited by Shares
v	Address of the Registered Office and contact details	56 Netaji Subhas Road, 2nd Floor, Kolkata-700001 Telephone No : (033) 224 26025, 9831039925 Fax No : (033) 2242-6732 E Mail : headoffice@rtspower.com
vi	Whether listed company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71 B.R.B.Basu Road, Kolkata –700001 Phone : (033) 2234-3576/ 2235-7270/7271/5236 Fax : (033) 2215-6823 E Mail:nichetechpl@nichetechpl.com
II	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10% or more of the total turnover of the Company	As per Attachment – A
III	<b>PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment – B
IV	<b>SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)</b>	
	i) Category-wise Shareholding	As per Attachment – C
	ii) Shareholding of Promoters	As per Attachment – D
	iii) Change in Promoter's Shareholding	As per Attachment – E
	iv) Shareholding Pattern of top Ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs)	As per Attachment – F
	v) Shareholding of Directors and Key Managerial Personnel	As per Attachment – G

**Extract of Annual Return (Annexure ' E' to Directors' Report )**

V	<b>INDEBTEDNESS</b> Indebtedness of the Company including interest outstanding / accrued but not due for payment	As per Attachment – H
VI	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
	A. Remuneration to Managing Director, Whole-time Director and/or Manager	As per Attachment – I
	B. Remuneration to other Directors	As per Attachment – J
	C. Remuneration to Key Managerial Personnel other than MD/MANAGER/ WTD	As per Attachment – K
VII	<b>PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	As per Attachment – L

**ATTACHMENT – A**
**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company :-

SI No	Name and Description of main products / services	NIC Code of the product/ services*	% to total turnover of the company
1.	Transformers	271	65.59%
2.	Cables & Conductors	273	33.29%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

**ATTACHMENT – B**
**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Your Company does not have any Subsidiary, Joint Venture and Associate Company during the year under review.

**ATTACHMENT C**
**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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
1) Indian									
a) Individual / HUF	409711	0	409711	5.016	409711	0	409711	5.016	0.000
b) Central Government									
c) State Government									

**Extract of Annual Return (Annexure ' E' to Directors' Report )**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corporate	5083545	0	5083545	62.234	5083545	0	5083545	62.234	0.000
e) Banks / Financial Institutions									
f) Any Other									
Sub-total (A)(1)	5493256	0	5493256	67.249	5493256	0	5493256	67.249	0.000
2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0.000
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	5493256	0	5493256	67.249	5493256	0	5493256	67.249	0.000
<b>B. PUBLIC SHAREHOLDING</b>									
1) Institutions									
a) Mutual Funds									
b) Banks / Financial Institutions									
c) Central Governments									
d) State Governments									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors (FII)									
h) Foreign Venture Capital Funds									

**Extract of Annual Return (Annexure ' E' to Directors' Report )**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (Specify)									
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1229374	1001	1230375	15.062	1238394	1000	1239394	15.173	0.111
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	774784	6965	781749	9.570	700263	4453	704716	8.627	-0.943
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	315630	0	315630	3.864	350385	0	350385	4.289	0.425
c) Others (specify)									
1. NRI	4103	0	4103	0.050	7259	0	7259	0.089	0.039
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members	343387	0	343387	4.204	368202	0	368202	4.508	0.304
5. Trusts									
6. Foreign Bodies - D.R.									
7. IEPF Authority	0	0	0	0	5288	0	5288	0.065	0.065
Sub-total (B)(2)	2667278	7966	2675244	32.751	2669791	5453	2675244	32.751	0.000
Total Public Shareholding (B) = (B)(1)+(B)(2)	2667278	7966	2675244	32.751	2669791	5453	2675244	32.751	0.000
C. Shares held by Custodian for GDRs & ADRs									
<b>GRAND TOTAL (A+B+C)</b>	<b>8160534</b>	<b>7966</b>	<b>8168500</b>	<b>100.000</b>	<b>8163047</b>	<b>5453</b>	<b>8168500</b>	<b>100.000</b>	<b>0.000</b>

## Extract of Annual Return (Annexure ' E' to Directors' Report )

### ATTACHEMNT D

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

##### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of 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	ABHAY BHUTORIA (HUF)	100695	1.233	0.000	100695	1.233	0.000	0.000
2	ABHAY BHUTORIA .	53800	0.659	0.000	53800	0.659	0.000	0.000
3	ABHAY TRANS FORMERS PVT. LTD.	89800	1.099	0.000	89800	1.099	0.000	0.000
4	BHUTORIA BROS PVT. LTD.	1345461	16.471	0.000	1345461	16.471	0	0.000
5	BHUTORIA INVESTMENTS PVT. LTD.	2298648	28.140	0.000	2298648	28.140	0.000	0.000
6	BHUTORIA TRANSFORMERS & RECTIFIERS PVT.LTD.	676336	8.280	0.000	676336	8.280	0.000	0.000
7	HEMLATA BHUTORIA	35800	0.438	0.000	35800	0.438	0.000	0.000
8	LADNUN AGRICULTURAL FARMS PVT.LTD.	204800	2.507	0.000	204800	2.507	0.000	0.000
9	RACHNA BHUTORIA	38800	0.475	0.000	38800	0.475	0.000	0.000
10	RAJASTHAN TRANSFORMERS AND SWITCHGEARS PVT.LTD.	468500	5.735	0.000	468500	5.735	0.000	0.000
11	RAJENDRA BHUTORIA	39700	0.486	0.000	39700	0.486	0.000	0.000
12	RAJENDRA BHUTORIA(HUF)	45200	0.553	0.000	45200	0.553	0.000	0.000
13	SADHNA BHUTORIA .	35558	0.435	0.000	35558	0.435	0.000	0.000
14	SHARAD BHUTORIA	60158	0.736	0.000	60158	0.736	0.000	0.000
	<b>T O T A L</b>	<b>5493256</b>	<b>67.249</b>	<b>0.000</b>	<b>5493256</b>	<b>67.249</b>	<b>0.000</b>	<b>0.000</b>

**Extract of Annual Return (Annexure ' E' to Directors' Report )****ATTACHMENT E****IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(iii) Change in Promoter's Shareholding**

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	ABHAY BHUTORIA (HUF)				
	a) At the Beginning of the Year	100695	1.233		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			100695	1.233
2	ABHAY BHUTORIA				
	a) At the Beginning of the Year	53800	0.659		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			53800	0.659
3	ABHAY TRANSFORMERS PVT. LTD.				
	a) At the Beginning of the Year	89800	1.099		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			89800	1.099
4	BHUTORIA BROTHERS PVT. LTD.				
	a) At the Beginning of the Year	1345461	16.471		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1345461	16.471
5	BHUTORIA INVESTMENTS PVT. LTD.				
	a) At the Beginning of the Year	2298648	28.140		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2298648	28.140
6	BHUTORIA TRANSFORMERS & RECTIFIERS PVT. LTD.				
	a) At the Beginning of the Year	676336	8.280		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			676336	8.280
7	HEMLATA BHUTORIA				
	a) At the Beginning of the Year	35800	0.438		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			35800	0.438

**Extract of Annual Return (Annexure ' E' to Directors' Report )**

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	LADNUN AGRICULTURAL FARMS PVT. LTD.				
	a) At the Beginning of the Year	204800	2.507		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			204800	2.507
9	RACHNA BHUTORIA				
	a) At the Beginning of the Year	38800	0.475		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			38800	0.475
10	RAJASTHAN TRANSFORMERS & SWITCHGEARS PVT. LTD.				
	a) At the Beginning of the Year	468500	5.735		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			468500	5.735
11	RAJENDRA BHUTORIA				
	a) At the Beginning of the Year	39700	0.486		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			39700	0.486
12	RAJENDRA BHUTORIA (HUF)				
	a) At the Beginning of the Year	45200	0.553		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			45200	0.553
13	SADHNA BHUTORIA				
	a) At the Beginning of the Year	35558	0.435		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			35558	0.435
14	SHARAD BHUTORIA				
	a) At the Beginning of the Year	60158	0.736		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			60158	0.736
	<b>TOTAL</b>	<b>5493256</b>	<b>67.249</b>	<b>5493256</b>	<b>67.249</b>

**Extract of Annual Return (Annexure ' E' to Directors' Report )****ATTACHMENT F****IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs) :**

Sl No.	For Each of the Top 10 Shareholders	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
1	CASTLE COMMODITIES PVT. LTD.				
	a) At the Beginning of the Year	1140000	13.956		
	b) Changes during the year				
	Date Reason				
	31/03/2018 Transfer	-1140000	13.956		
	c) At the End of the Year			0	0
2	EDELWEISS BROKING LTD				
	a) At the Beginning of the Year	15799	0.193		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	3489	0.043	19288	0.236
	14/04/2017 Transfer	8415	0.103	27703	0.339
	21/04/2017 Transfer	9223	0.113	36926	0.452
	28/04/2017 Transfer	739	0.009	37665	0.461
	16/06/2017 Transfer	40	0.000	37705	0.462
	21/07/2017 Transfer	1700	0.021	39405	0.482
	28/07/2017 Transfer	-2700	0.033	36705	0.449
	25/08/2017 Transfer	-65	0.001	36640	0.449
	22/09/2017 Transfer	760	0.009	37400	0.458
	30/09/2017 Transfer	-550	0.007	36850	0.451
	13/10/2017 Transfer	65	0.001	36915	0.452
	20/10/2017 Transfer	445	0.005	37360	0.457
	27/10/2017 Transfer	54	0.001	37414	0.458
	03/11/2017 Transfer	1006	0.012	38420	0.470
	10/11/2017 Transfer	-20	0.000	38400	0.470
	17/11/2017 Transfer	-450	0.006	37950	0.465
	24/11/2017 Transfer	-310	0.004	37640	0.461
	01/12/2017 Transfer	-109	0.001	37531	0.459
	29/12/2017 Transfer	100	0.001	37631	0.461
	16/02/2018 Transfer	3847	0.047	41478	0.508
	23/02/2018 Transfer	-991	0.012	40487	0.496
	23/03/2018 Transfer	410	0.005	40897	0.501
	31/03/2018 Transfer	200	0.002	41097	0.503

## Extract of Annual Return (Annexure ' E' to Directors' Report )

Sl No.	For Each of the Top 10 Shareholders	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
	c) At the End of the Year			41097	0.503
<b>3</b>	<b>GEOJIT BNP PARIBAS FINANCIAL SERVICES LTD.</b>				
	a) At the Beginning of the Year	169000	2.069		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			169000	2.069
<b>4</b>	<b>KARVA AUTOMART LTD.</b>				
	a) At the Beginning of the Year	0	0		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	Date Reason				
	31/03/2018 Transfer	1140000	13.956	1140000	13.956
	c) At the End of the Year			1140000	13.956
<b>5</b>	<b>MONARCH NETWORK CAPITAL LIMITED</b>				
	a) At the Beginning of the Year	89219	1.092		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			89219	1.092
<b>6</b>	<b>MUKESH KUMAR CHANDULAL SHAH</b>				
	a) At the Beginning of the Year	93000	1.139		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			93000	1.139
<b>7</b>	<b>PRAKASH CHANDRA MODI</b>				
	a) At the Beginning of the Year	29500	0.361		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			29500	0.361
<b>8</b>	<b>PRECISE CONSULTING &amp; ENGINEERING PVT. LTD.</b>				
	a) At the Beginning of the Year	32450	0.397		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			32450	0.397
<b>9</b>	<b>RAHUL FATEHCHAND SHAH</b>				
	a) At the Beginning of the Year	33650	0.412		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	Date Reason				
	30/09/2017 Transfer	-8000	0.098	25650	0.314
	06/10/2017 Transfer	-2255	0.028	23395	0.286
	13/10/2017 Transfer	-595	0.007	22800	0.279
	20/10/2017 Transfer	-600	0.007	22200	0.272

**Extract of Annual Return (Annexure ' E' to Directors' Report )**

Sl No.	For Each of the Top 10 Shareholders	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
	27/10/2017 Transfer	-1200	0.015	21000	0.257
	c) At the End of the Year			21000	0.257
10	SATYA PRAKASH MITTAL				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	22/09/2017 Transfer	26115	0.320	26115	0.320
	06/10/2017 Transfer	-120	0.001	25995	0.318
	13/10/2017 Transfer	-283	0.003	25712	0.315
	15/12/2017 Transfer	-106	0.001	25606	0.313
	c) At the End of the Year			25606	0.313
11	SPATIAL SERVICES (P) LTD.				
	a) At the Beginning of the Year	31746	0.389		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	16/02/2018 Transfer	-2500	0.031	29246	0.358
	c) At the End of the Year			29246	0.358
12	SURESHKUMAR GURUMUKHDAS UDHANI				
	a) At the Beginning of the Year	23879	0.292		
	b) Changes during the year				
	Date Reason				
	28/07/2017 Transfer	1021	0.012	24900	0.305
	c) At the End of the Year			24900	0.305
13	TATA SECURITIES LIMITED				
	a) At the Beginning of the Year	25900	0.317		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			25900	0.317
	<b>TOTAL</b>	<b>1684143</b>	<b>20.618</b>	<b>1720918</b>	<b>21.068</b>

## Extract of Annual Return (Annexure ' E' to Directors' Report )

### ATTACHMENT G

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

##### (v) Shareholding of Directors and Key Managerial Personnel

Sl No.	For Each of the Directors and Key Management Personnel	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
1	RAJENDRA BHUTORIA (WHOLETIME DIRECTOR)				
	a) At the Beginning of the Year	39700	0.486		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			39700	0.486
2	ABHAY BHUTORIA (MANAGING DIRECTOR)				
	a) At the Beginning of the Year	53800	0.659		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			53800	0.659
3	RACHNA BHUTORIA (DIRECTOR )				
	a) At the Beginning of the Year	38800	0.475		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			38800	0.475
4	RAM LAL SAINI (DIRECTOR)				
	a) At the Beginning of the Year	160	0.002		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			160	0.002
5	MUKHESH JAIN (CHIEF FINANCIAL OFFICER)				
	a) At the Beginning of the Year	1400	0.017		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1400	0.017

**NOTE :** None of the other Directors and Key Managerial Personnel hold any Shares in the Company

**Extract of Annual Return (Annexure ' E ' to Directors' Report )****ATTACHMENT – H****V. INDEBTEDNESS**

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

(₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	24,79,32,700	6,26,61,331		31,05,94,031
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>24,79,32,700</b>	<b>6,26,61,331</b>		<b>31,05,94,031</b>
<b>Change in Indebtedness during the Financial Year</b>				
Addition	4,62,96,762			4,62,96,762
Reduction		1,55,81,182		1,55,81,182
<b>Net Change</b>	<b>4,62,96,762</b>	<b>1,55,81,182</b>		<b>3,07,15,580</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	29,42,29,462	4,70,80,149		34,13,09,611
ii) Interest due but not paid				
iii) Interest accrued but not due	49,21,786			49,21,786
<b>Total (i+ii+iii)</b>	<b>29,91,51,248</b>	<b>4,70,80,149</b>		<b>34,62,31,397</b>

**ATTACHMENT – I****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (₹)**

Sl. No.		Name of MD Abhay Bhutoria	Name of WTD Rajendra Bhutoria	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	23,00,000	21,00,000	44,00,000
	(b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961	2,30,614	NIL	2,30,614
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others	NIL	NIL	NIL
5	Others-Contribution to Provident Fund	2,76,000	2,52,000	5,28,000
	<b>Total</b>	<b>28,06,614</b>	<b>23,52,000</b>	<b>51,58,614</b>
	Ceiling as per the Act	84,00,000	84,00,000	1,68,00,000

## Extract of Annual Return (Annexure ' E' to Directors' Report )

**Note :** Provisions for incremental gratuity for the current year has not been considered, since the provision is based on actuarial basis for the Company as a whole

### ATTACHMENT – J

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### B. Remuneration to other Directors :

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount
		SARDUL SINGH JAIN	ALOK KUMAR BANTHIA			
1.	Independent Directors					
	(a) Fee for attending Board / Committee Meetings	NIL	NIL			NIL
	(b) Commission					
	(c) Others					
	Total (1)	NIL	NIL			NIL
				RACHNA BHUTORIA	RAM LAL SAINI	
2.	Other Non-Executive Directors					
	(a) Fee for attending Board / Committee Meetings			NIL	NIL	NIL
	(b) Commission					
	(c) Others					
	Total (2)			NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act					

**NOTE :** Non-Executive Directors do not get any remuneration from the Company ,except Sri R L Saini, who gets fees of Rs12 Lacs per annum for rendering consultancy services to the Company on Accounting and Auditing matters in his professional capacity, being a Chartered Accountant by profession , which has been approved by the Nomination and Remuneration Committee, Board and Shareholders.The Non-Executive Directors do not get any sitting Fees for attending Meetings of the Board and its Committees.

**Extract of Annual Return (Annexure ' E' to Directors' Report )****ATTACHMENT – K****VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Company Secretary	Chief Financial Officer	CEO	President Cable Division	
	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	3,20,835	5,65,073	15,00,000	1,50,000	25,35,908
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	Stock Option	NIL	NIL	NIL	NIL	NIL
	Sweat Equity	NIL	NIL	NIL	NIL	NIL
	Commission					
	- as % of profit	NIL	NIL	NIL	NIL	NIL
	- others,	NIL	NIL	NIL	NIL	NIL
	Others Provident Fund	NIL	33,204	1,80,000	NIL	2,13,204
	<b>Total</b>	<b>3,20,835</b>	<b>5,98,277</b>	<b>16,80,000</b>	<b>1,50,000</b>	<b>27,49,112</b>

**Extract of Annual Return (Annexure ' E' to Directors' Report )**
**ATTACHMENT – L**
**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			NONE		
Punishment			NONE		
Compounding			NONE		
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		

For and on behalf of the Board of Directors

Registered Office :

56, Netaji Subhas Road, 2nd Floor  
Kolkata - 700 001

Dated : August 29, 2018

**S. S. JAIN**  
Chairman

DIN : 00013732

**Secretarial Audit Report (Annexure 'F' to Directors' Report)**

Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED March 31, 2018**

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

To,  
The Members,  
M/s **RTS POWER CORPORATION LIMITED**  
56, NETAJI SUBHAS ROAD, 2ND FLOOR  
KOLKATA - 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s RTS POWER CORPORATION LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**

## Secretarial Audit Report (Annexure 'F' to Directors' Report)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) The following are the other laws as specifically applicable to the Company:
  - a) The Factories Act, 1948;
  - b) The Payment of Bonus Act, 1965;
  - c) The Industrial Disputes Act, 1947;
  - d) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
  - e) The Employees' State Insurance Act, 1948.

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

- (i) The company has complied with the applicable Clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the company has complied with the same to the extent possible.
- (ii) The company has complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.

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

### **Management's Responsibility :**

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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## Secretarial Audit Report (Annexure 'F' to Directors' Report)

### 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 are carried out in compliance with the provisions of the Act.

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

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

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

**We further report that** during the audit period, there was no specific event/ action having a major bearing on the company's affairs in pursuance to the laws, rules, regulations, guidelines, etc. referred to above.

For **M/s Manoj Shaw & Co.**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

Place : Kolkata  
Date : 14th August, 2018

FCS No. 5517  
C P No.: 4194

## Disclosure of Related Party Transaction (Annexure 'G' to Directors' Report)

Form No. AOC-2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

The Audit Committee and the Board of Directors of the Company at their respective Meetings held on March 22, 2017 and March 31, 2017 have approved the proposals for entering into the following Related Party contracts/arrangements/transactions, which were also approved by the Shareholders by passing a Ordinary Resolution in the Company's Annual General Meeting held on September 11, 2017. No amount of advance has been paid by the Company against such contracts/arrangements/transactions:

Name of the Related Party	Name of the Director or Key Managerial Personnel of the Company and their relatives who is related, if any	Nature of Relationship with the related party	Maximum Monetary Value In Rupees	Nature, material terms and particulars of the proposed Contract or Arrangement	Any other information relevant or important for the Members to take decision on the proposed Resolution	Duration or validity of the proposed Contract or Arrangement
<b>Bhutoria Transformers &amp; Rectifiers Private Limited (BTR)</b>	Sri Rajendra Bhutoria Whole-time Director	Member (holding 2.89 % of BTR's Paid up Share Capital)	2 Crores	Inter Corporate Loans taken/to be taken from BTR.  Payable on Demand.  Interest payable to BTR at a rate not more than 12% p.a	To meet the Company's urgent Working capital requirements as and when needed	To remain valid till 31 <sup>st</sup> March, 2018
	Sri Abhay Bhutoria Managing Director	Director & Member (holding 6.56 % of BTR's Paid up Share Capital)				
	Smt Rachna Bhutoria Director	Member (holding 6.94 % of BTR's Paid up Share Capital)				
	Sri Sharad Bhutoria Chief Executive Officer (son of Sri Rajendra Bhutoria )	Director & Member of BTR				
	Sri Siddharth Bhutoria (son of Sri Rajendra Bhutoria )	Member of BTR				
	Smt Hemlata Bhutoria (wife of Sri Rajendra Bhutoria )	Member of BTR				
Smt Sadhna Bhutoria (wife of Sri Abhay Bhutoria)	Whole-time Director & Member of BTR					

**Disclosure of Related Party Transaction (Annexure 'G' to Directors' Report)**

<b>Bhutoria Transformers &amp; Rectifiers Private Limited (BTR)</b>	Sri Rajendra Bhutoria Whole-time Director	Member (holding 2.89 % of BTR's Paid up Share Capital)	12 lakhs per year	Rent payable to BTR for the premises taken on rent by the Company at Jaipur from BTR	Tenancy arrangement has been continuing for a long time	To remain valid till 31 <sup>st</sup> March, 2018
	Sri Abhay Bhutoria Managing Director	Director & Member (holding 6.56 % of BTR's Paid up Share Capital)	10 lakhs per year	Rent receivable from BTR for the premises taken on rent by BTR at Jaipur from RTS	Tenancy arrangement executed during the year	
	Smt Rachna Bhutoria Director	Member (holding 6.94 % of BTR's Paid up Share Capital)				
	Sri Sharad Bhutoria Chief Executive Officer (son of Sri Rajendra Bhutoria )	Director & Member of BTR				
	Sri Siddharth Bhutoria (son of Sri Rajendra Bhutoria )	Member of BTR				
	Smt Hemlata Bhutoria (wife of Sri Rajendra Bhutoria )	Member of BTR				
	Smt Sadhna Bhutoria (wife of Sri Abhay Bhutoria )	Whole-time Director & Member of BTR				
<b>Bhutoria Transformers &amp; Rectifiers Private Limited (BTR)</b>	Sri Rajendra Bhutoria Whole-time Director	Member (holding 2.89 % of BTR's Paid up Share Capital)	60 Crores per year	Purchase of all kinds of finished, Semi finished , Parts, Accessories and all types of Raw Material to be used in the manufacturing of Power & Distribution Transformers, Cables & Conductors from BTR	Transactions between group Companies to achieve economy and convenience of operations	To remain valid till 31 <sup>st</sup> March, 2018
	Sri Abhay Bhutoria Managing Director	Director & Member (holding 6.56 % of BTR's Paid up Share Capital)		Sale of all kinds of finished , Semi finished , Parts, Accessories and all types of Raw Material to be used in the manufacturing of Power & Distribution Transformers, Cables & Conductors to BTR		
	Smt Rachna Bhutoria Director	Member (holding 6.94 % of BTR's Paid up Share Capital)				
	Sri Sharad Bhutoria Chief Executive Officer (son of Sri Rajendra Bhutoria )	Director & Member of BTR	45 Crores per year			
	Sri Siddharth Bhutoria (son of Sri Rajendra Bhutoria )	Member of BTR				
	Smt Hemlata Bhutoria (wife of Sri Rajendra Bhutoria )	Member of BTR				

## Disclosure of Related Party Transaction (Annexure 'G' to Directors' Report)

	Smt Sadhna Bhutoria (wife of Sri Abhay Bhutoria)	Whole-time Director & Member of BTR				
<b>Bhutoria Transformers &amp; Rectifiers Private Limited (BTR)</b>	Sri Rajendra Bhutoria Whole-time Director	Member (holding 2.89 % of BTR's Paid up Share Capital)	6 Crores per year	Job work charges payable to BTR for the manufacturing of Power & Distribution Transformer, Parts & Accessories	Transactions between group Companies to achieve economy and convenience of operations	To remain valid till 31 <sup>st</sup> March, 2018
	Sri Abhay Bhutoria Managing Director	Director & Member (holding 6.56 % of BTR's Paid up Share Capital)	5 Crores per year	Job work charges receivable from BTR for the manufacturing of Power & Distribution Transformer, Parts & Accessories		
	Smt Rachna Bhutoria Director	Member (holding 6.94 % of BTR's Paid up Share Capital)				
	Sri Sharad Bhutoria Chief Executive Officer (son of Sri Rajendra Bhutoria )	Director & Member of BTR				
	Sri Siddharth Bhutoria (son of Sri Rajendra Bhutoria )	Member of BTR				
	Smt Hemlata Bhutoria (wife of Sri Rajendra Bhutoria )	Member of BTR				
	Smt Sadhna Bhutoria (wife of Sri Abhay Bhutoria)	Whole-time Director & Member of BTR				
<b>ABAY Energy Private Limited Company, Ethiopia</b>		Step-down Subsidiary of Kalinga Petrochemicals LLP , where the Directors of the Company and their relatives and Group Companies are Partners	50 Crores  5 Crores	Export Sales of the Company's products to Ethiopia  Import (Purchase) of parts/accessories required for manufacture of the Company's products in India	Additional business of the Company by way of Exports  To utilise such parts /accessories lying unused in Ethiopia for manufacturing activities of the Company in India	To remain valid till 31 <sup>st</sup> March, 2018

2. Details of material contracts or arrangements or transactions at arm's length basis - **NOT APPLICABLE**

For and on behalf of the Board of Directors

Registered Office :

56, Netaji Subhas Road, 2nd Floor  
Kolkata - 700 001

Dated : August 29, 2018

**S. S. JAIN**

Chairman

DIN : 00013732

**Annexure 'H' to Directors' Report**

DETAILS PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED BY THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

- (i) The percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer during the Financial Year 2017-2018 and ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-2018 are as under:

Sl No	Name of Director/ KMP & Designation	Remuneration of Director /KMP for Financial Year 2017-2018 (Rs)	% increase in remuneration in Financial Year 2017-2018	Ratio of remuneration of each Director to the median remuneration of the employees for the Financial Year 2017-2018
1	Sri Rajendra Bhutoria Vice Chairman & Whole-time Director	23,52,000/-	75.00%	8.44
2	Sri Abhay Bhutoria Managing Director	28,08,614/-	35.57%	10.08
3	Sri J Biswas Company Secretary *	1,16,000/-	-	2.15
4	Sri Sandip Gupta Company Secretary **	2,04,835/-	-	0.42
5	Sri Mukesh Jain Chief Financial Officer	5,98,277/-	4.75.%	0.73
6	Sri Sharad Bhutoria CEO	16,80,000/-	66.66%	6.03
7	Sri Suchir Bhutoria President Cables Division***	1,50,000/-	-	0.54

\* Sri Jagabandhu Biswas resigned as the Company Secretary of the Company with effect from close of business on September, 30,2017

\*\* Sri Sandip Gupta was appointed as Company Secretary of the Company in the Board Meeting held on November 20, 2017.

\*\*\* Sri Suchir Bhutoria was appointed as President, Cable and Conductor Division of the Company in the Board Meeting held on December 14, 2017.

- (ii) Non-Executive Directors do not get any remuneration from the Company, except Sri R L Saini, who gets Fee of Rs12 Lacs per annum for rendering consultancy services to the Company on Accounting and Auditing matters in his professional capacity being a Chartered Accountant by profession, which has been approved by the Nomination and Remuneration Committee, Board and Shareholders. The Non-Executive Directors do not get any sitting Fees for attending Meetings of the Board and its Committees.
- (iii) The median remuneration of employees of the Company during the Financial Year was ₹ 2,78,729/-.

- (iv) In the Financial Year, there was an increase of 4.87% in the median remuneration of employees;
- (v) There were 56 permanent employees on the rolls of Company as on March 31, 2018;
- (vi) Average percentage increase in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. 2017-18 was 7.95% whereas the average percentage increase in managerial remuneration for the same Financial Year was 50.34% ;
- (vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Registered Office :  
56, Netaji Subhas Road, 2nd Floor  
Kolkata - 700 001  
Dated : August 29, 2018

**S. S. JAIN**  
*Chairman*  
DIN : 00013732

## Annexure 'I' to Directors' Report

### CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. A brief outline of the Company's CSR Policy

The Company's CSR philosophy is 'Doing Well is the Result of Doing Good'. The Company's vision is to be a responsible industry leader and demonstrate ethical behavioural practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

At RTS, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

This Policy shall apply to all CSR projects/programmes/activities undertaken by the Company in India as per Schedule VII of the Act.

The Company's CSR Policy has been hosted on the Company's website under the link [www.rtspower.com](http://www.rtspower.com).

#### 2. Composition of the CSR Committee

The Members of the Committee are Sri. Sardul Singh Jain (Chairman), Independent Director, along with Sri Abhay Bhutoria, Managing Director and Sri Rajendra Bhutoria, Whole-time Director.

Sri Sardul Singh Jain is the Chairman of the Committee.

#### 3. Average net profit of the Company for the last three Financial Years.

Net Profit (PBT)	In Lacs
PBT FY : 2015-2016	269.72
PBT FY : 2016-2017	233.49
PBT FY : 2017-2018	641.42
<b>Total</b>	<b>1144.63</b>
Average	381.54
CSR Budget for Financial Year 2018-2019 (2% of Net Profits of preceding three Financial Years )	7.63

For and on behalf of the Board of Directors

Registered Office :

56, Netaji Subhas Road, 2nd Floor

Kolkata - 700 001

Dated : August 29, 2018

**SARDUL SINGH JAIN**

*Chairman*

DIN 00013732

## Independent Auditors' Report

To the Members of

**RTS POWER CORPORATION LIMITED**

### Report on the financial statements

We have audited the accompanying financial statements of RTS Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred as "Ind AS financial statements").

### Management's Responsibility for the 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), Cash Flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing 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 Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018 and its Profit (including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

## Independent Auditors' Report

### Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rule, 2006 audited by predecessor auditor, M/s. A.C. Bhuteria & Co., whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May, 2017 and 30th May, 2016 respectively who expressed unmodified opinion on those financial statements, as adjusted for the company on transition to the Ind AS, which have been audited by us. Reliance has been placed by us on the said financial statements and the report issued thereupon for the purpose of this financial statements and the report issued by us.

Our opinion is not modified in respect of this 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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standard specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the Internal Financial Controls 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – refer Note no. 42 of the Ind AS financial statements;
    - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Lodha & Co**  
*Chartered Accountants*  
Firm's ICAI Registration No.:301051E

**H. K.Verma**  
*Partner*

Membership No: 055104

Place: Kolkata  
Date: May 30, 2018

## Annexure A<sup>1</sup> to the Independent Auditor's Report of even date:

The Statement referred to in paragraph 1 with the heading 'Report on other legal and regulatory requirements' of our Report of even date to the members of RTS Power Corporation Limited on the Ind AS financial statements of the Company for the year ended 31st March 2018, we report that:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. There is a phased programme of verification of such assets, based on which physical verification of fixed assets is being carried out by the management. Discrepancies in respect of fixed assets verified during the year were not material.
- c. Based on verification of title deeds produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds/lease deeds of immovable properties are held in the name of the company.
- ii) As explained to us, inventories have been physically verified during the year at reasonable interval by the management. As far as ascertained, discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Act. Hence clause 3(iii) of the Order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. The Company has neither issued any guarantee, given any loan nor has provided any security on behalf of any party. Further according to the information and explanations given to us, the company has not entered into any transactions as referred to in section 185 of the Act.
- v) The Company has not accepted any deposits. Consequently, 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 there under, are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax, cess, Goods and services tax and any other material statutory dues as applicable to it with the appropriate authorities. However, according to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2018 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, custom duty, excise duty and Value added Tax, if any, as at March 31, 2018, not deposited on account of any dispute are as follows:

**Annexure 'A' to the Auditors' Report**

Name of the Statute	Nature of Dues	Period to which the Amount relates	Amount (₹)	Forum Where dispute is Pending
Value Added Tax and Central Sales Tax Act, 1956	VAT, CST, Interest, on Freight & Insurance	2007-08 2008-09 2009-10 2010-11 2011-12	14,99,495 20,84,185 19,44,064 24,12,822 49,72,531	Revision pending before Tax Board, Rajasthan
The Central Excise Act, 1944	Duty on Commission on sale	Apr-15 to Jan-16	1,66,992	Revision pending before Commissioner Appeals
The Central Excise Act, 1944	Service tax on Man power	Apr-15 to Mar-16	15,33,277	Revision pending before Commissioner Appeals
The Central Excise Act, 1944	Duty on Freight Charges	Feb-16 to June-17	32,01,993	Revision pending before Commissioner Appeals
The Central Excise Act, 1944	Duty on Freight Charges	Apr-14 to Sept-16	20,89,489	Revision pending before Commissioner Appeals
The Central Excise Act, 1944	Excise duty on Freight & Insurance	April 11 to Jan-16	1,25,53,997	Revision pending before CESTAT
West Bengal Value Added tax Act, 2003	Value Added tax	2009-10	40,46,172	Revision pending before Appellate Authority of Sales Tax
West Bengal Value Added tax Act, 2003	Central Sales Tax	2013-14	3,28,509	Revision pending before Appellate Authority of Sales Tax
West Bengal Value Added tax Act, 2003	Central Sales Tax	2015-16	1,44,601	Revision pending before Appellate Authority of Sales Tax
The Central Excise Act, 1944	Service tax	2010-11 to 2013-14	39,41,342	Revision pending before Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Central Excise Act, 1944	Excise Duty	2005-06 & 2006-07	2,37,928	Writ petition to be filed to High Court, Duty already paid Penalty Liabilities is contingent.

- viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and governments. As explained, the company does not have any loan or borrowings from any financial institution or any dues to debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees nor have we been informed of any such cases by the management.

## Annexure - A to the Auditors' Report

- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, 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 explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Lodha & Co**  
*Chartered Accountants*  
Firm's ICAI Registration No.:301051E

**H. K.Verma**  
*Partner*  
Membership No: 055104

Place: Kolkata  
Date: May 30, 2018

## Annexure - B to the Auditors' Report

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

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

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

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

## **Annexure - B to the Auditors' Report**

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Lodha & Co**  
*Chartered Accountants*  
Firm's ICAI Registration No.:301051E

**H. K.Verma**  
*Partner*  
Membership No: 055104

Place: Kolkata  
Date: May 30, 2018

**Balance Sheet as at 31st March, 2018**

(Amount in ₹)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	5	87,92,42,276	88,19,45,898	89,77,24,649
(b) Investment Property	6	78,366	80,947	83,613
(c) Intangible assets	7	78,251	1,02,580	2,05,743
(d) Financial Assets				
(i) Investments	8	2,02,03,687	1,46,33,776	21,500
(ii) Other Financial Assets	9	1,07,38,244	1,99,67,697	2,47,30,960
(e) Other non-current assets	10	33,60,300	16,00,000	6,75,000
<b>Total Non Current Assets</b>		<b>91,37,01,124</b>	<b>91,83,30,898</b>	<b>92,34,41,465</b>
<b>(2) Current Assets</b>				
(a) Inventories	11	38,80,72,986	42,01,84,778	29,45,73,418
(b) Financial Assets				
(i) Investments	12	1,51,40,688	-	-
(ii) Trade receivables	13	1,09,32,05,579	59,63,83,263	56,78,96,530
(iii) Cash and cash equivalents	14	1,05,85,542	1,95,96,350	1,78,18,405
(iv) Other Bank Balances	15	7,97,24,112	8,04,96,759	5,95,08,837
(v) Loans	16	1,52,000	-	-
(vi) Other financial assets	17	84,50,268	1,14,14,248	1,18,85,929
(c) Other current assets	18	7,05,20,882	6,31,47,658	7,04,76,768
<b>Total Current Assets</b>		<b>1,66,58,52,057</b>	<b>1,19,12,23,056</b>	<b>1,02,21,59,887</b>
<b>Total Assets</b>		<b>2,57,95,53,181</b>	<b>2,10,95,53,954</b>	<b>1,94,56,01,352</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	19	8,16,85,000	8,16,85,000	8,16,85,000
(b) Other Equity	20	95,98,52,050	91,30,45,557	88,86,23,913
<b>Total Equity</b>		<b>1,04,15,37,050</b>	<b>99,47,30,557</b>	<b>97,03,08,913</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	2,09,91,770	1,66,91,198	2,03,74,079
(b) Provisions	22	36,24,027	41,42,345	44,12,216
(c) Deferred Tax Liabilities (Net)	23	27,78,01,044	27,78,63,702	27,62,48,049
(d) Other Non Current Liabilities	24	5,00,70,269	5,31,49,569	5,62,28,870
<b>Total Non Current Liabilities</b>		<b>35,24,87,110</b>	<b>35,18,46,814</b>	<b>35,72,63,214</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	25	32,03,17,841	29,39,02,833	29,03,22,912
(ii) Trade payables	26	79,38,44,782	43,54,91,411	29,98,92,990
(iii) Other financial liabilities	27	78,58,293	50,39,215	78,78,643
(b) Other current liabilities	28	6,13,10,758	2,65,81,848	1,68,06,378
(c) Provisions	29	4,84,408	19,61,276	31,28,302
(d) Current Tax Liabilities (Net)	30	17,12,939	-	-
<b>Total Current Liabilities</b>		<b>1,18,55,29,021</b>	<b>76,29,76,583</b>	<b>61,80,29,225</b>
<b>Total Liabilities</b>		<b>1,53,80,16,131</b>	<b>1,11,48,23,397</b>	<b>97,52,92,439</b>
<b>Total Equity and Liabilities</b>		<b>2,57,95,53,181</b>	<b>2,10,95,53,954</b>	<b>1,94,56,01,352</b>
Summary of significant accounting policies	1			
Notes on Financial Statements	2-51			

These notes are an integral part of the Financial Statements.  
As per our Report of even date

For and on behalf of the Board of Directors

**For Lodha & Co**  
Chartered Accountants  
Firm's ICAI Registration No.: 301051E

**S. S. Jain**  
Chairman

**H. K. Verma**  
Partner  
Membership No. : 055104  
Place : Kolkata  
Date : 30th May, 2018

**Abhay Bhutoria**  
Managing Director  
DIN: 00013712  
**Mukesh Jain**  
Chief Financial Officer

**R. Bhutoria**  
Vice Chairman & Whole Time Director  
DIN: 00013637  
**Sandip Gupta**  
Company Secretary

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

(Amount in ₹)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue From Operations	31	2,13,18,16,796	1,20,71,68,673
Other Income	32	2,07,10,054	2,10,94,775
<b>Total income</b>		<b>2,15,25,26,850</b>	<b>1,22,82,63,448</b>
<b>EXPENSES</b>			
Cost of Materials consumed	33	1,53,56,00,176	94,89,22,418
Purchases of Stock-in-Trade	34	-	56,69,033
Changes in Inventories of finished goods, Stock-in-Trade and work-in progress	35	5,00,85,881	(14,58,28,153)
Employee benefits expense	36	2,70,06,861	2,61,86,276
Finance costs	37	8,56,04,310	6,44,75,993
Depreciation and amortisation expense	38	2,02,73,535	2,02,07,334
Other expenses	39	37,63,04,266	29,08,74,257
<b>Total expenses</b>		<b>2,09,48,75,029</b>	<b>1,21,05,07,158</b>
<b>Profit before tax</b>		<b>5,76,51,821</b>	<b>1,77,56,290</b>
Tax expense:			
(1) Current tax	41	1,85,35,000	62,16,005
(2) Deferred tax	41.1	(27,02,215)	(34,01,473)
<b>Profit for the year</b>		<b>4,18,19,036</b>	<b>1,49,41,758</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		76,27,014	1,44,97,012
(ii) Income tax relating to items that will not be reclassified to profit or loss	41.3	(26,39,557)	(50,17,126)
Other Comprehensive Income for the year (net of tax)	41.4	49,87,457	94,79,886
<b>Total Comprehensive Income for the year</b>		<b>4,68,06,493</b>	<b>2,44,21,644</b>
<b>Earnings per equity share of per value of ₹ 10 each.</b>			
(1) Basic (Rs.)	45	5.12	1.83
(2) Diluted (Rs.)	45	5.12	1.83
Summary of significant accounting policies	1		
Notes on Financial Statements	2-51		

These notes are an integral part of the Financial Statements.  
As per our Report of even date

For and on behalf of the Board of Directors

For **Lodha & Co**

Chartered Accountants

Firm's ICAI Registration No.: 301051E

**S. S. Jain**

Chairman

**H. K. Verma**

Partner

Membership No. : 055104

Place : Kolkata

Date : 30th May, 2018

**Abhay Bhutoria**

Managing Director

DIN: 00013712

**Mukesh Jain**

Chief Financial Officer

**R. Bhutoria**

Vice Chairman & Whole Time Director

DIN: 00013637

**Sandip Gupta**

Company Secretary

**Statement of Changes in Equity for the year ended March 31, 2018**
**(A) Equity Share Capital**

Particulars	Note No.	Amount in ₹
<b>Balance as at April 1, 2016</b>		<b>8,16,85,000</b>
Changes during the year		-
<b>Balance as at March 31, 2017</b>		<b>8,16,85,000</b>
Changes during the year		-
<b>Balance as at March 31, 2018</b>		<b>8,16,85,000</b>

**(B) Other Equity**

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings		
<b>Balance as at April 1, 2016</b>	5,98,005	25,42,85,500	95,89,264	62,41,51,144		88,86,23,913
Profit for the year	-			1,49,41,758		1,49,41,758
Other Comprehensive Income for the year arising from Re-measurement of defined benefit obligation (net of income tax)	-			3,59,925		3,59,925
Other Comprehensive Income for the year arising from Fair Vauation of Investment in Equity Instruments (net of income tax)	-				91,19,961	91,19,961
<b>Balance as at March 31, 2017</b>	5,98,005	25,42,85,500	95,89,264	63,94,52,827	91,19,961	91,30,45,557
Profit for the year				4,18,19,036		4,18,19,036
Other Comprehensive Income for the year arising from Re-measurement of defined benefit obligation (net of income tax)	-			14,04,034		14,04,034
Other Comprehensive Income for the year arising from Fair Vauation of Investment in Equity Instruments					35,83,423	35,83,423
<b>Balance as at March 31, 2018</b>	<b>5,98,005</b>	<b>25,42,85,500</b>	<b>95,89,264</b>	<b>68,26,75,897</b>	<b>1,27,03,384</b>	<b>95,98,52,050</b>

These notes are an integral part of the Financial Statements.  
As per our Report of even date

For **Lodha & Co**  
Chartered Accountants  
Firm's ICAI Registration No.: 301051E

**H. K. Verma**  
Partner  
Membership No. : 055104  
Place : Kolkata  
Date : 30th May, 2018

**Abhay Bhutoria**  
Managing Director  
DIN: 00013712  
**Mukesh Jain**  
Chief Financial Officer

For and on behalf of the Board of Directors  
**S. S. Jain**  
Chairman  
**R. Bhutoria**  
Vice Chairman & Whole Time Director  
DIN: 00013637  
**Sandip Gupta**  
Company Secretary

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

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	5,76,51,821	1,77,56,290
ADJUSTMENTS FOR -		
Depreciation	2,02,73,535	2,02,83,795
Finance Costs	8,56,04,310	6,44,75,993
Liabilities no longer required written back	(3,69,399)	(12,28,011)
Interest Income	(97,15,711)	(93,60,727)
	9,57,92,736	7,41,71,050
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>15,34,44,556</b>	<b>9,19,27,340</b>
ADJUSTMENTS FOR -		
Trade & other receivables	(49,68,22,316)	(2,84,86,733)
Inventories	3,21,11,792	(12,56,11,360)
Loans and Advances	(1,02,40,513)	81,47,471
Trade Payable and Other Liabilities	39,82,53,966	(7,66,97,071)
	15,72,36,154	1,12,85,532
<b>CASH GENERATED FROM OPERATIONS</b>	<b>7,67,47,486</b>	<b>10,32,12,872</b>
Direct Taxes Paid	(1,07,97,217)	(62,72,709)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>6,59,50,269</b>	<b>9,69,40,163</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(1,65,43,003)	(53,22,754)
Interest Received	97,15,711	93,60,727
Bank Deposits having maturity more than three months	68,96,225	(1,64,39,635)
Purchase of Non Current Investments	(2,07,87,061)	(1,46,88,737)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,07,18,128)</b>	<b>(2,70,90,399)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(8,41,92,451)	(6,44,75,993)
Proceeds from Borrowing	4,80,83,552	(35,95,826)
Repayment of Borrowing	(1,81,34,050)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(5,42,42,949)</b>	<b>(6,80,71,819)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(90,10,808)</b>	<b>17,77,945</b>
Cash & Cash Equivalents as at the beginning of the year	1,95,96,350	1,78,18,405
Cash & Cash Equivalents as at the end of the year (Refer Note No. 14)	1,05,85,542	1,95,96,350

**Statement of Cash Flows for the year ended 31st March, 2018**

Amount in ₹

**Reconciliation of Liabilities arising from Financing Activities**

Particulars	As at March 31, 2017	Proceeds raised	Repayment	Non Cash Adjustments	As at March 31, 2018
Long Term Borrowings from bank	33,54,673	46,88,143	11,53,649	12,641	69,01,808
Long Term Borrowings on issue of 9% Non-Cumulative Redeemable Preference Shares	1,55,46,877	-	-	13,99,219	1,69,46,096
Short Term Borrowings from bank	24,67,88,379	4,33,95,409	-	-	29,01,83,788
Inter Corporate Deposits	4,71,14,454	-	1,69,80,401	-	3,01,34,053
<b>Total</b>	<b>31,28,04,383</b>	<b>4,80,83,552</b>	<b>1,81,34,050</b>	<b>14,11,860</b>	<b>34,41,65,745</b>

Summary of significant accounting policies 1  
Notes on Financial Statements 2-51  
These notes are an integral part of the Financial Statements.

**Note:**

- 1) The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.

For and on behalf of the Board of Directors

As per our Report of even date

For **Lodha & Co**  
Chartered Accountants  
Firm's ICAI Registration No.: 301051E

**S. S. Jain**  
Chairman

**H. K. Verma**  
Partner  
Membership No. : 055104

**Abhay Bhutoria**  
Managing Director  
DIN: 00013712

**R. Bhutoria**  
Vice Chairman & Whole Time Director  
DIN: 00013637

Place : Kolkata  
Date : 30th May, 2018

**Mukesh Jain**  
Chief Financial Officer

**Sandip Gupta**  
Company Secretary

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

### 1 Corporate Information

RTS Power Corporation Limited ('the company') is a public limited company incorporated and domiciled in India having its registered office in Kolkata in the State of West Bengal. The company is engaged in the business of manufacturing and selling of Power and Distribution Transformers, Cables, indispensable equipment for generation, transmission and distribution of electricity in the country etc. and generation, supply and sales of Wind Power. The Company's shares are listed on Bombay Stock Exchange Limited.

### 2 Statement of Compliance and Recent Pronouncements

#### 2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have been recasted/restated to make it comparable with current year's figure.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented in Note No 49, a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No 49 of the financial statement.

#### 2.2 Recent Pronouncements

##### Standards issued but not yet effective:

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards/ Ind AS) Amendment Rules, 2018 on March 28, 2018, whereby Ind AS-115 relating to "Revenue from Contracts with Customers" and Appendix B to Ind AS 21 relating to "Foreign Currency Transactions and advance considerations" has been made applicable from financial year 2018-19 (i.e. April 1, 2018 onwards).

Ind AS-115 - Revenue from Contracts with Customers

The Standard replaces the existing Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". Ind AS 115 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Ind AS 21 – Appendix B - Foreign currency transactions and advance consideration

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

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

The Company is evaluating the requirements of the same and its effect on the Financial Statements.

### 3 Significant Accounting Policies

#### 3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. Land (both Freehold and Leasehold) and building which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees except otherwise stated.

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

**Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

**Level 3:** Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

#### 3.2 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset.

Parts of an item of Property, Plant and Equipment having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

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

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period more than twelve months and meets the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss when incurred.

### Depreciation and Amortization

Depreciation on Property, Plant and Equipment commences when the assets are ready for their intended use.

Depreciation on Property, Plant and Equipment (unless stated otherwise) is provided as per the useful life specified under Schedule II of the Companies Act, 2013 or based on technical assessment by the Company on written down value method. Subsequent costs incurred on Property, Plant and Equipment are depreciated over the remaining life of mother asset.

Based on above, the estimated useful life of the tangible assets for the current period are as follows:

<b>Category</b>	<b>Useful Life in years</b>
Factory Buildings	30-75
Other than factory Building	60-75
Plant and Equipment	15-20
Furniture and Fittings	10
Motor Vehicles	8-10
Office Equipment	5
Computer Equipment	3-6

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

### 3.3 Investment Property

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

### Depreciation and Amortization

Depreciation on Investment Property is provided on written down value method considering 75 years as its useful life as determined by the management. Depreciation on Investment Property commences when the assets are ready for their intended use.

Based on above, the estimated useful lives of assets for the current period are as follows.

<b>Category</b>	<b>Useful Life in years</b>
Other than Factory Buildings	75

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

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

### 3.4 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages are amortized over a period of 3 years on a written down value basis.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

### 3.5 Derecognition of Tangible and Intangible assets and Investment Property

An item of Property, Plant and Equipment, Intangible assets and Investment Property is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment, Intangible assets and Investment Property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### 3.6 Leases

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

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

### 3.7 Impairment of Tangible and Intangible Assets and Investment Property

Tangible and Intangible assets and Investment Property are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have

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

been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

### 3.8 Financial Assets and Financial Liabilities

Financial Assets and Financial Liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

#### (i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

#### (ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### (iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

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

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

### (v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

### (vi) Derivative and Hedge Accounting

The company enters into derivative financial instruments being foreign exchange forward to mitigate the risk of changes in foreign exchange rates in respect of financial instruments. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss.

When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

### (vii) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

### (viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets 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

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration

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

received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

### 3.9 Inventories

Raw Materials, Stores and Spares, Work in Progress and Finished Goods are valued at lower of cost or net realisable value and the cost is determined on FIFO basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of Finished goods and those under progress represents prime cost, and includes appropriate portion of overheads.

Scrap, empty drums and replaced materials are valued at their respective net realisable value.

### 3.10 Foreign Currency Transactions

These financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

#### Transactions and Balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

### 3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and

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

uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### 3.13 Employee Benefits

Short Term Employee Benefits including short term compensated absences are accrued in the year services are rendered by the employees.

**Provident and Family Pension Fund:** The Company has Defined Contribution Plan for its employees retirement benefits comprising of Provident Fund and Pension Fund. The Company makes regular contribution to Provident Fund, which are fully funded and administered by the Government. Contributions are recognized in Statement of Profit and Loss on accrual basis.

**Gratuity:** Long Term Employee Benefits under defined benefit plans are determined at the close of each year at the present value of the amount payable by actuarial valuation techniques using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Remeasurements are not classified to the statement of Profit and Loss in subsequent periods. Other costs are recognized in the Statement of Profit or Loss. Bifurcation of liabilities into Current and Non current are done based on actuarial valuation report.

### 3.14 Revenue

#### Sale of goods :

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods, ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of taxes and other duties which the company pays as principal.

Sale of electricity is accounted for on delivery of electricity to Grid/ Customers .

#### Interest, Dividend and Claims :

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted for as and when admitted or realised. Interest on overdue bills are accounted for on certainty of realisation.

#### Export Benefits :

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate realisability of such benefits are established.

### 3.15 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the

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

borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets.

A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

### 3.16 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

### 3.17 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 3.18 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

## 4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.



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

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation, uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

### **4.1 Depreciation / amortization and impairment on Property, Plant and Equipment / Intangible assets / Investment Property**

Property, plant and equipment, intangible assets and Investment Property are depreciated/ amortized on written down value method over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013 or based on technical assessment by the Company, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible, Intangible Assets and Investment Property whenever there is objective evidence that the assets are impaired. In such situation assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

### **4.2 Arrangements containing leases and classification of leases**

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

### **4.3 Impairment allowances on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

### **4.4 Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

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

### 4.5 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### 4.6 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

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

(Amount in ₹)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
<b>(A) Gross Carrying Value/Deemed Cost</b>									
As at April 1, 2016	47,04,10,138	25,39,23,076	12,15,18,271	4,85,41,506	2,12,832	12,14,074	16,36,644	2,68,108	89,77,24,649
Addition	-	-	-	30,01,620	2,68,706	6,35,588	3,26,304	1,08,033	43,40,251
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2017	47,04,10,138	25,39,23,076	12,15,18,271	5,15,43,126	4,81,538	18,49,662	19,62,948	3,76,141	90,20,64,900
Addition	-	-	79,964	82,38,090	18,48,259	77,27,331	1,84,175	1,97,575	1,82,75,384
Disposals/Adjustments	-	-	-	7,32,691	-	3,02,379	-	-	10,35,070
As at March 31, 2018	47,04,10,138	25,39,23,076	12,15,98,235	5,90,48,525	23,29,797	92,74,614	21,47,123	5,73,716	91,90,05,224
<b>(B) Accumulated Depreciation</b>									
As at April 1, 2016	-	-	-	-	-	-	-	-	-
Charge for the period	-	29,95,403	79,29,204	77,31,018	1,23,696	7,03,196	3,85,190	2,33,798	2,01,01,505
Disposals/Adjustments	-	-	-	15,517	543	-	1,437	-	17,497
As at March 31, 2017	-	29,95,403	79,29,204	77,46,535	1,24,239	7,03,196	3,86,627	2,33,798	2,01,19,002
Charge for the period	-	29,95,403	70,42,454	73,61,865	1,66,473	22,96,318	3,02,666	81,446	2,02,46,625
Disposals/Adjustments	-	-	-	1,93,665	-	1,09,014	-	-	3,02,679
As at March 31, 2018	-	59,90,806	1,49,71,658	1,49,14,735	2,90,712	28,90,500	6,89,293	3,15,244	4,00,62,948
<b>(C) Net carrying amount (A-B)</b>									
As at 1st April 2016 (Deemed Cost)	47,04,10,138	25,39,23,076	12,15,18,271	4,85,41,506	2,12,832	12,14,074	16,36,644	2,68,108	89,77,24,649
As at 31st March 2017	47,04,10,138	25,09,27,673	11,35,89,067	4,37,96,591	3,57,299	11,46,466	15,76,321	1,42,343	88,19,45,988
As at 31st March 2018	47,04,10,138	24,79,32,270	10,66,26,577	4,41,33,790	20,39,085	63,84,114	14,57,830	2,58,472	87,92,42,276

**Note:**

5.1 The Gross Block as on the date of transition i.e. April 1, 2016 given herein above represents previous GAAP written down value of Property, Plant and Equipment except in case of Land (both Freehold and Leasehold) and Building considered as "Deemed Costs" as per the provisions of Ind AS 101 "First Time Adoption of Indian Accounting Standards". Land (both Freehold and Leasehold) and Building have been fair valued by an Independent valuer and considered as "deemed cost" as per the provision of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Refer Note No. 49 (c) (i).

5.2 Refer Note No. 21.1 and 25.1 in respect of charge created against borrowings.

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

<b>6. Investment Property</b>		(Amount in ₹)
<b>Particulars</b>	<b>Buildings</b>	
<b>(A) Gross Block</b>		
As at April 1, 2016	83,613	
Additions	-	
Disposal/Adjustments	-	
As at March 31, 2017	83,613	
Additions	-	
Disposal/Adjustments	-	
As at March 31, 2018	83,613	
<b>(B) Accumulated Depreciation</b>		
As at April 1, 2016	-	
Charge for the period	2,666	
Disposal/Adjustments	-	
As at March 31, 2017	2,666	
Charge for the period	2,581	
Disposal/Adjustments	-	
As at March 31, 2018	5,247	
<b>(C) Net carrying amount (A-B)</b>		
As at 1st April 2016 (Deemed Cost)	83,613	
As at 31st March 2017	80,947	
As at 31st March 2018	78,366	

### Note:

6.1 Refer Note No. 21.1 and 25.1 in respect of charge created against borrowings.

### 6.2 Amount recognised in statement of profit and loss for investment properties:

<b>Particulars</b>	(Amount in ₹)	
	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
1. Rental income	3,18,000	3,13,200
2. Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	2,581	2,666
3. Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period	NIL	NIL

### (ii) Estimation of fair value :

The fair valuation of the Investment Property of Rs. 61,20,000 . The Company estimates the fair value of its Investment Properties based on current prices in market for similar properties.

6.3 There is no change in the fair value of the Property as at the beginning and end of the reporting period.

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

<b>7. Intangible Assets</b>				(Amount in ₹)
<b>Particulars</b>	<b>Computer Software</b>	<b>Right to Use</b>	<b>Total</b>	
<b>(A) Gross Carrying Value/Deemed Costs</b>				
As at April 1, 2016	1,57,343	48,400	2,05,743	
Additions	-	-	-	
Disposal/Adjustments	-	-	-	
<b>As at March 31, 2017</b>	<b>1,57,343</b>	<b>48,400</b>	<b>2,05,743</b>	
Additions	-	-	-	
Disposal/Adjustments	-	-	-	
<b>As at March 31, 2018</b>	<b>1,57,343</b>	<b>48,400</b>	<b>2,05,743</b>	
<b>(B) Accumulated Depreciation</b>				
As at April 1, 2016	-	-	-	
Charge for the period	1,03,163	-	1,03,163	
Disposal/Adjustments	-	-	-	
<b>As at March 31, 2017</b>	<b>1,03,163</b>	<b>-</b>	<b>1,03,163</b>	
Charge for the period	24,329	-	24,329	
Disposal/Adjustments	-	-	-	
<b>As at March 31, 2018</b>	<b>1,27,492</b>	<b>-</b>	<b>1,27,492</b>	
<b>(C) Net carrying amount (A-B)</b>				
<b>As at 1st April 2016 (Deemed Cost)</b>	<b>1,57,343</b>	<b>48,400</b>	<b>2,05,743</b>	
<b>As at 31st March 2017</b>	<b>54,180</b>	<b>48,400</b>	<b>1,02,580</b>	
<b>As at 31st March 2018</b>	<b>29,851</b>	<b>48,400</b>	<b>78,251</b>	

**Note:**

7.1 The Gross block as on the transition date i.e. April 1, 2016 given hereinabove represents previous GAAP written down value of Intangible Asset considered as "Deemed Costs" as per the provision of Ind AS 101 "First Time Adoption of Indian Accounting Standards"- Refer note no. 49 (c) (i) (c).

7.2 Refer Note No. 21.1 and 25.1 in respect of charge created against borrowings.

(Amount in ₹)				
<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>8. Non-current Investments</b>				
<b>Investment designated at Fair Value through Other Comprehensive Income</b>				
<b>Unquoted</b>				
<b>Equity Instrument in Body Corporate</b>				
83400 Nos (March 31, 2017: 66400 Nos and April 1, 2016: NIL) Equity shares of Rs. 10/- each fully paid up of Bhutoria Brothers Private Limited		2,01,82,187	1,46,12,276	-
<b>Government Securities at Amortised Costs</b>				
National Saving Certificate	8.2	21,500	21,500	21,500
		<b>2,02,03,687</b>	<b>1,46,33,776</b>	<b>21,500</b>

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

Note (Amount in ₹)

- 8.1 Aggregate amount of unquoted Investment **2,02,03,687** 1,46,33,776 21,500
- 8.2 Investment in National Saving Certificate is pledged with Sales Tax Department
- 8.3 Refer Note 48 for information about Fair Value Measurement.
- 8.4 Particulars of Investments as required in terms of Sec 186(4) of the Companies Act, 2013, have been disclosed under Note no. 8 above.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>9 OTHER NON CURRENT FINANCIAL ASSETS</b>				
<b>At Amortised Cost</b>				
<b>Unsecured</b>				
Fixed Deposits with Banks (having original maturity of more than 1 year)	9.1	<b>83,35,300</b>	1,44,87,663	1,90,48,535
<b>Security Deposits</b>		<b>24,02,944</b>	54,80,034	56,82,425
		<b>1,07,38,244</b>	1,99,67,697	2,47,30,960

**Note:**

9.1 Kept as lien against issue of Bank Guarantee and Letter of Credit.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>10 Other Non-current Asset</b>				
Prepayment of Leasehold Land		<b>5,25,000</b>	6,00,000	6,75,000
Capital Advance		-	10,00,000	-
Others		<b>28,35,300</b>	-	-
		<b>33,60,300</b>	16,00,000	6,75,000

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>11 Inventories (Valued at lower of cost or Net Realisable Value)</b>				
Raw Materials	11.1	<b>7,20,24,002</b>	<b>4,70,66,726</b>	<b>5,49,14,596</b>
Work in Progress		<b>21,27,98,565</b>	27,42,20,638	18,57,63,536
Finished Goods		<b>10,03,46,914</b>	9,44,21,939	3,70,58,520
Stores and Spares		<b>21,78,440</b>	12,22,313	1,35,91,236
Scrap (Valued at Net Realizable Value)		<b>7,25,065</b>	32,53,162	32,45,530
		<b>38,80,72,986</b>	42,01,84,778	29,45,73,418

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

11.1 Includes goods-in-transit of NIL (March 31, 2017 : Rs. 1,61,91,448 and April 1, 2016 : NIL)

11.2 The amount of Inventories recognised as an expenses (inRs.)	<b>1,73,99,32,193</b>	91,95,43,151
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11.3 Refer Note No. 21.1 and 25.1 in respect of charge created against borrowings.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
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**12 Current Investments**
**Investment designated at Fair Value through profit or loss**
**Unquoted**
**Investment in Mutual Funds**

UTI Credit Risk Fund- Regular Growth Plan 159946.77 Nos (March 31, 2017: NIL and April 1, 2016: NIL)	<b>25,34,695</b>	-	-
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Franklin India Short Term Income Plan -Retail Plan-Growth 692.778 Nos (March 31, 2017: NIL and April 1, 2016: NIL)	<b>25,42,675</b>	-	-
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DSP Black Rock Credit Risk Fund - Reg- G 88692.425 Nos (March 31, 2017: NIL and April 1, 2016: NIL)	<b>25,37,597</b>	-	-
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Aditya Birla Sunlife Advantage Fund-Growth Regular Plan 1137.553 (March 31, 2017: NIL and April 1, 2016: NIL)	<b>75,25,721</b>	-	-
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	<b>1,51,40,688</b>	-	-
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12.1 Aggregate carrying amount of unquoted Investment	<b>1,51,40,688</b>	-	-
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12.2 Refer Note 48 for information about Fair Value Measurement.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
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**13 Current-Trade Receivables**

Unsecured, Considered good	<b>1,09,32,05,579</b>	59,63,83,263	56,78,96,530
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	<b>1,09,32,05,579</b>	59,63,83,263	56,78,96,530
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## Notes to Financial Statements for the year ended 31st March, 2018

13.1 Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.

13.2 The ageing of receivables are as follows:

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
Within Credit Period		86,84,95,586	1,48,47,244	3,50,52,391
1-180 days past due		2,80,82,006	26,16,81,213	21,22,67,468
More than 180 days past due		19,66,27,987	31,98,54,806	32,05,76,671
		<b>1,09,32,05,579</b>	59,63,83,263	56,78,96,530

13.3 The major customers are Public Sector Undertakings which are engaged in power generation and distribution.

13.4 Refer Note No. 21.1 and 25.1 in respect of charge created against borrowings.

13.5 Refer Note No. 46.4 in respect of major customers

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>14. Cash and Cash Equivalents</b>				
(As certified by the management)				
<b>Balances with Banks</b>				
In current account		92,54,655	1,71,71,463	71,15,325
In Fixed Deposits with Banks (having original maturity of less than 3 months)	14.1	3,57,321	14,87,923	66,98,709
Cash on hand		9,73,566	9,36,964	40,04,371
		<b>1,05,85,542</b>	1,95,96,350	1,78,18,405

14.1 Kept as lien against issue of Bank Guarantee and Letter of Credit.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>15. Other Bank Balances</b>				
<b>Balances with Banks</b>				
In Fixed deposits with Banks (having original maturity of more than 3 months)	15.1	7,97,08,046	8,04,51,908	5,94,51,401
In Dividend account		16,066	44,851	57,436
		<b>7,97,24,112</b>	8,04,96,759	5,95,08,837

### Note

15.1 Kept as lien against issue of Bank Guarantee and Letter of Credit.

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

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>16 Current Loans</b>				
<b>At Amortised cost</b>				
<b>Unsecured, considered good</b>				
Advance to Employees		1,52,000	-	-
		<b>1,52,000</b>	-	-

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>17. Current- Other Financial Assets</b>				
<b>At Amortised cost</b>				
<b>Unsecured, considered good</b>				
Export Incentive Receivable		-	1,46,861	1,95,139
Security Deposit		2,10,921	2,10,921	-
Earnest Money Deposits		79,99,117	1,02,30,439	1,13,89,513
Interest and other Receivables		2,40,230	8,26,027	3,01,277
		<b>84,50,268</b>	1,14,14,248	1,18,85,929

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>18. Other Current Assets</b>				
Balances with government authorities		5,24,40,644	4,62,30,395	4,94,84,950
Advance against goods and services		1,71,09,685	1,05,01,666	1,49,48,678
Prepayment of Leasehold Land		75,000	75,000	75,000
Prepaid expenses		8,95,553	3,15,753	-
Advance Income Tax / Tax deducted at Source (Net of Provision)		-	60,24,844	59,68,140
		<b>7,05,20,882</b>	6,31,47,658	7,04,76,768

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

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>19 Equity Share Capital</b>				
<b>Authorised</b>				
12000000 Equity Shares of ₹ 10/- each		<b>12,00,00,000</b>	12,00,00,000	12,00,00,000
(March 31, 2017: 12000000 and April 1, 2016: 12000000)				
<b>Issued, Subscribed and Paid-up</b>				
8168500 Equity Shares of ₹ 10/- each (March 31, 2017 8168500 and April 1, 2016 8168500)		<b>8,16,85,000</b>	8,16,85,000	8,16,85,000
		<b>8,16,85,000</b>	<b>8,16,85,000</b>	<b>8,16,85,000</b>

### Note:

**19.1** Refer Note No. 21 for Preference Share Capital

### 19.2 Equity Shares

The Company has only one class of Equity Shares having par value of ₹10/- each. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed if any by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

**19.3** There is no change in the number of equity shares outstanding at the beginning and at the end of the reporting periods.

**19.4** The Company does not have any Holding Company

### 19.5 Equity Shareholders holding more than 5% equity shares:

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>Shareholders holding more than 5% of Equity Share Capital</b>				
Bhutoria Investments Private Limited		<b>22,98,648</b>	22,98,648	22,98,648
Mani Marketing & Holdings Private Limited		-	-	11,40,000
Castle Commodities Private Limited			11,40,000	-
Karva Automart Limited		<b>11,40,000</b>	-	-
Rajasthan Transformers & Switchgears Private Limited		<b>4,68,500</b>	4,68,500	4,68,500
Bhutoria Brothers Private Limited		<b>13,45,461</b>	13,45,461	13,33,281
Bhutoria Transformers & Rectifiers Private Limited		<b>6,76,336</b>	6,76,336	6,76,336

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

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>20 Other Equity</b>				
Capital Reserve	20.2	5,98,005	5,98,005	598005
Securities Premium Reserve	20.3	25,42,85,500	25,42,85,500	25,42,85,500
General Reserve	20.4	95,89,264	95,89,264	95,89,264
Retained earnings	20.5	68,26,75,897	63,94,52,827	62,41,51,144
Equity Instruments through Other Comprehensive Income	20.6	1,27,03,384	91,19,961	
		<b>95,98,52,050</b>	<b>91,30,45,557</b>	<b>88,86,23,913</b>

Note

20.1 Refer Statement of Changes in Equity for movement in balances of reserve.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>20.2 Capital Reserve comprises of:</b>				
Share Forfeited Reserve		15,500	15,500	15,500
Rajasthan State Investment Subsidy Reserve		5,21,505	5,21,505	5,21,505
Generator Subsidy Reserve		61,000	61,000	61,000

20.3 Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

20.4 The general reserve is created from time to time by appropriating profits from retained earnings. The general reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

20.5 Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company and includes re-measurement gains/losses on defined benefit obligation. This includes Rs. 49,49,41,517 (March 31, 2017: 49,87,73,664 and April 1, 2016: 50,28,85,881) (net of taxes) which is not available for distribution as these are represented by changes in carrying amount of freehold land and building being measured at fair value as on the date of transition as deemed cost. (Refer Note No. 49 (c)(i)). Additional Depreciation due to Fair Value Measurement to the extent provided each year becomes available for distribution as dividend.

20.6 The company has elected to recognise changes in the fair value of investments as Items that will not be reclassified to profit and loss under Other Comprehensive Income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

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

Particulars	Note No.	As at 31st March, 2018 (₹)		As at 31st March, 2017 (₹)		As at 1st April, 2016 (₹)	
		Non Current	Current	Non Current	Current	Non Current	Current
<b>21 Non current Borrowings</b>							
<b>At Amortised Costs</b>							
<b>Secured</b>							
<b>Term Loan</b>							
From Banks		-	-	8,28,860	20,04,000	55,85,347	55,60,000
<b>Vehicle Finance Loan</b>							
From Banks	21.1	40,45,674	28,56,134	3,15,461	2,06,352	5,25,542	1,43,218
		<b>40,45,674</b>	<b>28,56,134</b>	<b>11,44,321</b>	<b>22,10,352</b>	<b>61,10,889</b>	<b>57,03,218</b>
<b>Unsecured</b>							
7500000 (March 31, 2017: 7500000 and April 1, 2016: 7500000) issued, subscribed and fully paid up 9% Non Cumulative, Non participating and Redeemable Preference Share Capital of Rs. 10/- each.	21.2, 21.3, 21.4 and 21.5	1,69,46,096	-	1,55,46,877	-	1,42,63,190	-
		<b>1,69,46,096</b>	<b>-</b>	<b>1,55,46,877</b>	<b>-</b>	<b>1,42,63,190</b>	<b>-</b>
		<b>2,09,91,770</b>	<b>28,56,134</b>	<b>1,66,91,198</b>	<b>22,10,352</b>	<b>2,03,74,079</b>	<b>57,03,218</b>

### Note

21.1 Term loan from banks is secured by way of first hypothecation charge on specified fixed assets and personal guarantee by two directors. Rate of interest being 2.80% above MCLR and is repayable at unamortised cost as follows:

Financial Year	(Amount in ₹)
2018-2019	28,56,134
2019-2020	19,33,244
2020-2021	14,53,668
2021-2022	6,63,405

21.2 The Company has only one class of Preference Shares which is 9% Non cumulative, non participating and redeemable at a par value of Rs. 10/- each, within a period not exceeding 20 years from the date of issue i.e. 30th June, 2015. The preference shareholders have preferential rights vis-a-vis Equity Shareholders of the Company in respect of dividend, repayment in case of winding up or repayment of capital and shall carry voting rights as per the provisions of section 47 (2) of the Companies Act, 2013.

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

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>21.3 Authorized Preference Share Capital</b>				
10000000 Preference Shares of ₹ 10/- each		<b>10,00,00,000</b>	10,00,00,000	10,00,00,000
(March 31, 2017: 10000000 and April 1, 2016: 10000000)				

21.4 There is no change in the number of preference shares outstanding at the beginning and at the end of the reporting periods.

21.5 Preference Shareholders holding more than 5% preference shares:

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>Shareholders holding more than 5% of Preference Share Capital</b>				
Bhutoria Brothers Private Limited		<b>40,00,000</b>	40,00,000	40,00,000
Abhay Transformers Private Limited		<b>20,00,000</b>	20,00,000	20,00,000
Rajasthan Transformers & Switchgears Private Limited		<b>10,00,000</b>	10,00,000	10,00,000
Bhutoria Investments Private Limited		<b>5,00,000</b>	5,00,000	5,00,000

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>22 Non Current Provision</b>				
Provision for employee benefits	47	<b>36,24,027</b>	41,42,345	44,12,216
		<b>36,24,027</b>	<b>41,42,345</b>	<b>44,12,216</b>

**23. Deferred Tax Liabilities**

The analysis of deferred tax (assets)/liabilities presented in the Balance Sheet is as follows :

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
Deferred Tax Asset	23.1 & 23.2	<b>13,59,000</b>	20,41,000	26,10,000
Deferred Tax Liability	23.1 & 23.2	<b>27,91,60,044</b>	27,99,04,702	27,88,58,049
<b>Net Deferred Tax (Assets)/ Liabilities</b>		<b>27,78,01,044</b>	<b>27,78,63,702</b>	<b>27,62,48,049</b>

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

### 23.1 Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017 (₹)	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2018 (₹)
<b>Deferred Tax Assets:</b>				
Expense allowed on payment basis	16,63,017	(61,069)	-	17,24,086
Remeasurement of defined benefit obligations	3,77,983	-	7,43,069	(3,65,086)
<b>Total Deferred Tax Assets</b>	20,41,000	(61,069)	7,43,069	13,59,000
<b>Deferred Tax Liabilities:</b>				
Timing difference with respect to Property, Plant & Equipment, Investment Property and Intangible assets	27,41,08,577	(32,25,046)	-	27,08,83,531
Investment in Equity instrument measured at Fair value through other comprehensive Income	48,26,640	-	18,96,488	67,23,128
Others	9,69,485	5,83,900	-	15,53,385
<b>Total Deferred Tax Liabilities</b>	<b>27,99,04,702</b>	<b>(26,41,146)</b>	<b>18,96,488</b>	<b>27,91,60,044</b>
<b>Net Deferred Tax (Assets)/ Liabilities</b>	<b>27,78,63,702</b>	<b>(27,02,215)</b>	<b>26,39,557</b>	<b>27,78,01,044</b>

### 23.2 Components of Deferred tax (Assets)/ Liabilities as at March 31, 2017 are given below:

Particulars	As at April 1, 2016 (₹)	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2017 (₹)
<b>Deferred Tax Assets:</b>				
Expense allowed on payment basis	20,41,531	3,78,514	-	16,63,017
Remeasurement of defined benefit obligations	5,68,469	-	1,90,486	3,77,983
<b>Total Deferred Tax Assets</b>	26,10,000	3,78,514	1,90,486	20,41,000
<b>Deferred Tax Liabilities:</b>				
Timing difference with respect to Property, Plant & Equipment, Investment Property and Intangible assets	27,83,50,847	(42,42,270)	-	27,41,08,577
Investment in Equity instrument measured at Fair value through other comprehensive Income	-	-	48,26,640	48,26,640
Others	5,07,202	4,62,283	-	9,69,485
<b>Total Deferred Tax Liabilities</b>	<b>27,88,58,049</b>	<b>(37,79,987)</b>	<b>48,26,640</b>	<b>27,99,04,702</b>
<b>Net Deferred Tax (Assets)/ Liabilities</b>	<b>27,62,48,049</b>	<b>(34,01,473)</b>	<b>50,17,126</b>	<b>27,78,63,702</b>

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

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>24 Other Non Current Liabilities</b>				
Deferred income on fair valuation of financial instruments		5,00,70,269	5,31,49,569	5,62,28,870
		<b>5,00,70,269</b>	<b>5,31,49,569</b>	<b>5,62,28,870</b>

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>25 Current Borrowings</b>				
<b>Secured Loan</b>				
Working Capital Facilities from Banks ( Repayable on demand)	25.1	19,68,59,537	18,87,75,131	16,26,74,304
Bills Discounting Facility from Banks	25.1	9,33,24,251	5,80,13,248	6,28,91,638
<b>Unsecured Loan</b>		-	-	-
Bills Discounting		-	-	1,10,51,460
From Related Parties		2,01,34,053	2,08,65,794	4,26,25,510
From Bodies Corporate		1,00,00,000	2,62,48,660	1,10,80,000
		<b>32,03,17,841</b>	<b>29,39,02,833</b>	<b>29,03,22,912</b>

**Note**

25.1 Secured on pari-passu basis by way of hypothecation of factory building, movable fixed assets, stock of raw materials, stock in process, finished goods, receivables and all other current assets of the company and personal guarantee by two directors.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>26 Trade Payables</b>				
<b>For goods and services</b>				
Dues to Micro and Small Enterprises	26.1	8,89,876	5,95,990	7,10,819
Others	26.2	79,29,54,906	43,48,95,421	29,91,82,171
		<b>79,38,44,782</b>	<b>43,54,91,411</b>	<b>29,98,92,990</b>

**Note:**

26.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

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

Particulars	Note No.	As at 31st	As at 31st	As at 1st
		March, 2018 (₹)	March, 2017 (₹)	April, 2016 (₹)
a) Principal & Interest amount remaining unpaid but not due as at year end		<b>889876</b>	595990	710819
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.		-	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006)		-	-	-
d) Interest accrued and remaining unpaid as at year end		-	-	-
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise		-	-	-

**26.2** Payment towards trade payables is made as per the terms and conditions of the contract of purchase orders. The average credit period on purchases is 90 to 180 days.

Particulars	Note No.	As at 31st	As at 31st	As at 1st
		March, 2018 (₹)	March, 2017 (₹)	April, 2016 (₹)
<b>27 Current- Other Financial Liabilities</b>				
Current maturities of long-term debt	21	<b>28,56,134</b>	22,10,352	57,03,218
Interest accrued but not due		<b>49,21,786</b>	-	-
Liability relating to employees		-		
Others		<b>64,307</b>	6,24,012	6,92,989
		<b>78,58,293</b>	<b>50,39,215</b>	<b>78,78,643</b>

**27.1** There is no due for payment to Investor Education and Protection Fund.

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

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>28 Current- Other Liabilities</b>				
Statutory dues ( includes Goods and Services Tax, PF, ESI, Sales Tax/ VAT, CST Etc.)		4,32,02,605	1,52,69,872	80,40,902
Deferred income on fair valuation of financial instruments		30,79,300	30,79,300	30,79,300
Advance from Customers		1,50,28,853	82,32,676	56,86,176
		<b>6,13,10,758</b>	<b>2,65,81,848</b>	<b>1,68,06,378</b>

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>29 Provision</b>				
Provision for employee benefits	47	4,84,408	19,61,276	31,28,302
		<b>4,84,408</b>	<b>19,61,276</b>	<b>31,28,302</b>

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>30 Current Tax Liability</b>				
Current Tax Liabilities (Net)		17,12,939	-	-
		<b>17,12,939</b>	<b>-</b>	<b>-</b>

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>31 Revenue From Operations</b>			
Sale of Products	31.1	2,07,07,48,281	1,15,74,15,725
Sale of Traded Goods		-	68,96,198
Revenue from Works Contract		1,19,475	1,66,46,832
Other Operating Revenue	31.2	6,09,49,040	2,62,09,918
	31.3	<b>2,13,18,16,796</b>	<b>1,20,71,68,673</b>

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>31.1 Detail of Sale of Products :</b>			
Transformers		1,35,82,56,894	68,96,69,647
Cables and Conductors		68,94,33,295	15,39,58,970
Wind Energy		1,24,08,352	1,19,01,324
Sale of Services		1,06,49,740	30,18,85,784
		<b>2,07,07,48,281</b>	<b>1,15,74,15,725</b>

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>31.2 Detail of Other Operating Revenue:</b>			
Freight and Insurance Charges		5,62,35,549	2,19,97,735
Duty Drawback		17,46,789	20,50,568
Import License		15,87,984	11,47,582
Labour Charges		13,78,718	10,14,033
		<b>6,09,49,040</b>	<b>2,62,09,918</b>

**31.3** Goods and Service Tax ("GST") has been implemented with effect from 1st July, 2017 and therefore, revenue from operations for the period July 1, 2017 to 31st March 2018 are net of GST. Revenue from Operations and expenses for the year ended 31st March 2017 being inclusive of Excise Duty are not comparable with corresponding figures of year ended 31st March 2018.

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>32 Other Income</b>			
Interest Income		97,15,711	93,60,727
Rent Income	32.1	51,28,000	44,75,620
Amortisation of deferred portion of Financial instruments		30,79,300	30,79,300
Gain on Fair Valuation of Financial Instrument		1,40,688	-
Net gain / (loss) on Foreign Currency transactions and translations		2,21,152	64,356
Liabilities no longer required written back		3,69,399	12,28,011
Miscellaneous Income		20,55,804	28,86,761
		<b>2,07,10,054</b>	<b>2,10,94,775</b>

### 32.1 Operating leases disclosure:

The Company has certain operating lease arrangements for office and warehouse accommodations etc. with tenure ranging from 11 months to 3 years etc.. There is no contingent rent in the Lease agreements. Income earned on account of rent during the year has been recognized in the Statement Profit and Loss amounting to ₹ 45,80,000 (March 31, 2017 : ₹ 39,92,420).

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>33 Cost of material Consumed</b>			
Cost of material Consumed		1,53,56,00,176	94,89,22,418
		<b>1,53,56,00,176</b>	<b>94,89,22,418</b>

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>34 Purchases Of Stock In Trade</b>			
Traded Goods		-	56,69,033
		-	<b>56,69,033</b>

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>35 Changes in Inventories of finished goods, Stock-in-Trade and work-in progress</b>			
Opening Stock			
Finished Goods		9,44,21,939	3,70,58,520
Work in Progress		27,42,20,638	18,57,63,536
Scrap		32,53,162	32,45,530
		<b>37,18,95,739</b>	<b>22,60,67,586</b>
Less: Closing Stock			
Finished Goods		10,03,46,914	9,44,21,939
Work in Progress		21,27,98,565	27,42,20,638
Scrap		7,25,065	32,53,162
Adjustment for Excise duty		79,39,314	-
		<b>32,18,09,858</b>	<b>37,18,95,739</b>
<b>(Increase)/ Decrease in Inventories of Finished goods, Stock-in - Trade and Work-in-Progress</b>		<b>5,00,85,881</b>	<b>(14,58,28,153)</b>

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>36 Employee Benefits Expense</b>			
Salaries, Wages and Bonus		2,47,96,861	2,41,81,177
Contribution to Provident and Other Funds	47	13,56,437	13,11,141
Staff Welfare Expenses		8,53,563	6,93,958
		<b>2,70,06,861</b>	<b>2,61,86,276</b>

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>37 Finance Costs</b>			
Interest expense		6,40,52,739	4,96,71,452
Interest Expense on Financial assets measured at amortised costs		14,11,860	13,03,316
Other Borrowing Costs		2,01,39,711	1,35,01,225
		<b>8,56,04,310</b>	<b>6,44,75,993</b>

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>38 Depreciation and amortisation Expense</b>			
Depreciation Expenses on Property, Plant and Equipment		2,02,46,625	2,01,01,505
Depreciation Expenses on Investment Property		2,581	2,666
Amortisation Expense on Intangible Assets		24,329	1,03,163
		<b>2,02,73,535</b>	<b>2,02,07,334</b>

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>39 Other Expenses</b>			
Consumption of Stores and Spare Parts		1,00,32,895	1,47,39,554
Packing Material Consumed		2,42,49,803	48,73,990
Power & Fuel		1,60,59,285	1,09,15,563
Job & Fabrication Charges		5,15,42,365	2,57,20,306
Windmill Maintenance		25,55,229	-
Repairs			
To Plant & Equipment		24,97,311	33,95,463
To Buildings		10,08,615	35,98,882
To Others		12,13,866	15,77,543
Transformer Repairs & Maintenance		8,86,425	38,65,208
Excise Duty Paid and on Stock		4,01,84,595	13,42,55,840
Rent	40	10,71,604	10,84,552
Insurance		18,74,260	11,60,901
Rates and Taxes		6,22,288	11,49,920
Legal & Professional Fees		1,21,87,274	52,89,594
Carriage Inward		1,37,14,862	96,73,188
Carriage Outward		5,68,42,114	2,12,43,714
Auditors Remuneration	39.1	12,50,000	7,05,550

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Damages for Delayed Supply		11,16,22,404	1,74,67,461
Travelling & Conveyance		58,23,633	66,21,803
Miscellaneous Expenses		2,10,65,438	2,35,35,225
		<b>37,63,04,266</b>	<b>29,08,74,257</b>

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>39.1 Auditors Remuneration represents:</b>			
<b>To Statutory Auditor:</b>			
Audit Fees		5,00,000	2,58,750
Tax Audit Fees		1,50,000	28,750
Certification and other reports		6,00,000	2,62,800
<b>To Branch Auditors:</b>			
Audit Fees		-	1,20,750
Certification and other expenses		-	34,500
		<b>12,50,000</b>	<b>7,05,550</b>

**39.1.1 includes Payment to Previous Auditors**

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>To Statutory Auditor:</b>			
Audit Fees		-	2,58,750
Tax Audit Fees		-	28,750
Certification and other expenses		-	2,62,800
<b>To Branch Auditors:</b>			
Audit Fees		-	1,20,750
Certification and other expenses		-	34,500
		-	<b>7,05,550</b>

**40. Obligation under leases****Operating Lease disclosures:**

The Company has certain operating lease arrangements for office and warehouse accommodations etc. with tenure ranging from 11 months to 3 years etc. Expenditure incurred on account of rent during the year has been recognized in the Statement of Profit and Loss amounting to ₹ 10,71,604 (March 31, 2017 : ₹ 10,84,552).

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>41 Tax Expenses – Current Tax</b>			
Provision for current tax		1,85,35,000	62,00,000
Tax relating to earlier years		-	16,005
		<b>1,85,35,000</b>	<b>62,16,005</b>

### 41.1 Components of Tax Expense

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Current Tax			
In respect of Current Year		1,85,35,000	62,00,000
In respect of Earlier Year		-	16,005
<b>Total Current tax expense recognised</b>		<b>1,85,35,000</b>	<b>62,16,005</b>
Deferred Tax		(27,02,215)	(34,01,473)
<b>Total Tax expense recognised in the current year in the Statement of Profit and Loss</b>		<b>1,58,32,785</b>	<b>28,14,532</b>

### 41.2 Reconciliation of Income tax expense for the year with accounting profit is as follows :

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows :

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Profit before tax		5,76,51,821	1,77,56,290
Income tax expense calculated at 33.063%		1,90,61,422	58,70,762
<b>Add: Effect of Expenses that are not deductible in determining taxable profit</b>			
Effect of temporary difference on account of tax of earlier periods		18,71,510	16,72,581
<b>Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit</b>			
Certain expenses to be allowed on payment basis		50,025	(4,917)
Deduction of Profit under Tax Holiday period		26,98,137	23,92,572
Effect of other adjustments		3,08,940	1,49,887
Effect of fair valuation of Property, Plant and Equipment and Financial assets and Financial Liabilities		20,43,045	21,91,270
<b>Income tax expense recognised in profit and loss</b>		<b>1,58,32,785</b>	<b>28,14,532</b>

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

The tax rate used for reconciliations above is 30% as applicable for corporate entities on taxable profits under the Indian tax laws.

### 41.3 Income tax recognized in Other Comprehensive income

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>Deferred tax on</b>			
Remeasurement gains of defined benefit obligation		7,43,069	1,90,486
Net fair value gain/(loss) on investments in equity shares at FVTOCI		18,96,488	48,26,640
<b>Income tax recognized in Other Comprehensive income</b>		<b>26,39,557</b>	<b>50,17,126</b>
<b>Bifurcation of the income tax recognized in Other comprehensive income into :</b>			
Items that will be reclassified to Statement of profit or loss		-	-
Items that will not be reclassified to Statement of profit or loss		26,39,557	50,17,126

### 41.4 Components of Other Comprehensive Income

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>Items that will not be reclassified to statement of profit or loss</b>			
Remeasurement of defined benefit obligation (net of tax)		14,04,034	3,59,925
Net fair value gain on investments in equity shares at FVTOCI (net of tax)		35,83,423	91,19,961
		<b>49,87,457</b>	<b>94,79,886</b>

### 42. Contingent Liabilities, Contingent Assets and Commitments (to the extent not provided for)

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
<b>Contingent Liabilities</b>				
<b>Claims against the Company not acknowledged as Debt</b>				
Central Excise/Service Tax/Sales tax matter under appeal		4,11,57,397	1,44,47,465	3,03,01,521

42.1 The Company's pending litigation comprises of claim against the Company and proceedings pending tax/statutory/Government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Financial Statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgments / decisions.

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

42.2 A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
<b>43. Capital and Other Commitments</b>				
Estimated amount of contracts remaining to be executed on capital account and not provided for: net of advance of ₹ NIL (March 31, 2017: ₹ 10,00,000 and April 1, 2016 ₹ NIL)		-	23,50,000	-

### 44. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows :

(A) Names of related parties and nature of relationship

- (i) Key Managerial Personnel and their relatives
  - (a) Mr. Rajendra Bhutoria
  - (b) Mr. Abhay Bhutoria
  - (c) Mr. Ram Lal Saini
  - (d) Mr. Sharad Bhutoria-Relative of the Director
  - (e) Mr. Suchir Bhutoria-Relative of the Director
- (ii) Enterprises over which any person described in (i) above is able to exercise significant influence and with whom the Company has transaction during the year.
  - (a) Abhay Transformers Private Limited
  - (b) Bhutoria Agrotech Private Limited
  - (c) Bhutoria Brothers Private Limited
  - (d) Bhutoria Investments Private Limited
  - (e) Bhutoria Properties
  - (f) Bhutoria Transformers & Rectifiers Private Limited
  - (g) BLB Cables & Conductors Private Limited
  - (h) Ladnun Agricultural Farms Private Limited
  - (i) Rajasthan Transformers & Switchgears Private Limited
  - (j) ABAY Energy PLC

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

(iii) Aggregate amount of transactions with related parties:

(Amount in ₹)

Nature of Transaction	Note No.	Name of Related Parties	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest Expense		Abhay Transformers Private Limited	-	55,816
		Bhutoria Agrotech Private Limited	3,630	34,985
		Bhutoria Brothers Private Limited	-	22,093
		Bhutoria Investments Private Limited	85,579	2,80,054
		BLB Cables & Conductors Private Limited	3,59,338	12,32,046
		Ladnun Agricultural Farms Private Limited	31,998	71,550
		Rajasthan Transformers & Switchgears Private Limited	21,75,828	16,17,232
(b) Rent		Bhutoria Properties		33,233
		Bhutoria Transformers & Rectifiers Private Limited	4,37,580	4,16,748
		Bhutoria Brothers Private Limited	1,72,800	1,58,400
(c) Remuneration including Perks		Abhay Bhutoria	28,08,614	20,71,751
		Rajendra Bhutoria	23,52,000	13,44,000
		Suchir Bhutoria	1,50,000	-
		Sharad Bhutoria	16,80,000	10,80,000
(d) Purchase of Raw Materials		Bhutoria Transformers & Rectifiers Private Limited	3,48,49,735	4,81,13,779
(e) Sales		ABAY Energy PLC	9,34,04,671	9,10,09,033
(f) Rental Income		Abhay Bhutoria	2,30,000	1,70,000
(g) Services rendered		Bhutoria Transformers & Rectifiers Private Limited	-	3,93,781
(h) Short Term Borrowings (Taken)		Abhay Transformers Private Limited	6,00,000	39,80,503
		Bhutoria Agrotech Private Limited	1,25,000	7,00,000
		Bhutoria Brothers Private Limited	-	36,72,093
		Bhutoria Investments Private Limited	-	3,42,901

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

(Amount in ₹)

Nature of Transaction	Note No.	Name of Related Parties	For the year ended March 31, 2018	For the year ended March 31, 2017
		BLB Cables & Conductors Private Limited	26,50,000	7,73,75,000
		Ladnun Agricultural Farms Private Limited	-	-
		Rajasthan Transformers & Switchgears Private Limited	2,81,55,828	2,18,92,918
(i) Loan Repaid		Abhay Transformers Private Limited	6,00,000	43,55,234
		Bhutoria Agrotech Private Limited	1,25,000	9,17,331
		Bhutoria Brothers Private Limited	-	36,72,093
		Bhutoria Investments Private Limited	23,37,049	23,90,000
		BLB Cables & Conductors Private Limited	1,28,18,841	7,14,88,609
		Ladnun Agricultural Farms Private Limited	8,59,395	(Amount 892)
		Rajasthan Transformers & Switchgears Private Limited	1,55,22,284	4,25,00,000
(j) Legal and Professional Charges		Ram Lal Saini	12,00,000	-

(iv) Balance of related parties are as follows:

(Amount in ₹)

Nature of Transaction	Note No.	Name of Related Parties	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 1, 2016
(a) Outstanding Borrowings		Abhay Transformers Private Limited	-	-	7,54,497
		Bhutoria Agrotech Private Limited	-	-	2,17,331
		Bhutoria Investments Private Limited	-	23,37,049	41,32,099
		BLB Cables & Conductors Private Limited	-	1,01,68,841	1,00,73,609
		Ladnun Agricultural Farms Private Limited	-	8,59,395	7,95,892
		Rajasthan Transformers & Switchgears Private Limited	2,01,34,053	75,00,509	2,66,52,082
		<b>Total</b>	<b>20134053</b>	<b>20865794</b>	<b>42625510</b>

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

(Amount in ₹)

Nature of Transaction	Note No.	Name of Related Parties	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 1, 2016
(b) Trade payables		Bhutoria Transformers & Rectifiers Private Limited	-	2,56,35,383	2,23,04,751
(c) Trade Receivable		ABAY Energy PLC	-	-	14,705
(d) Investment in Equity Instrument held- measured at Fair Value		Bhutoria Brothers Private Limited	<b>2,01,82,187</b>	1,46,12,276	-

(v) The remuneration of directors and other members of key management personnel during the year are as follows:

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Short-term employee benefits		<b>68,40,614</b>	44,95,751
Post-employment benefits*		-	-

\*Excluding provision for gratuity

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. The Company has not provided any guarantee to related parties towards their borrowing facilities. For the year ended March 31, 2018, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2017 ₹ NIL and April 1, 2016 ₹ NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

vi) The above related parties information is as identified by the management and relied upon by the auditor.

**45. Calculation of Earning Per Share is as follows :**

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Net profit for basic and diluted earnings per share as per Statement of Profit and Loss		<b>4,18,19,036</b>	1,49,41,758
<b>Net profit for basic and diluted earnings per share</b>	(a)	<b>4,18,19,036</b>	1,49,41,758
<b>Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value ₹ 10/- per share)</b>			
No of equity shares outstanding as on		<b>81,68,500</b>	81,68,500

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Weighted average number of equity shares considered in calculating basic and diluted EPS	(b)	81,68,500	81,68,500
<b>Earnings per share (EPS) of Equity Share of ₹ 10 each :</b>			
Basic and Diluted (a/b) (₹)		5.12	1.83

### 46. Segment Information

#### 46.1 Basis for segmentation

The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the business segment of the Company.

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The Company has identified two business segments viz. Electrical Goods-Transformers, Cables etc. and Wind Energy and presented the same in the Financial Statements on a consistent basis. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represents assets and liabilities of respective segments. Investments, Tax related assets/liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

#### Reportable Segment

#### Description of products/services

Electrical Goods-Transformers, Cables etc.

The segment is engaged in manufacture of Power and Distribution Transformers, Cables and Conductors of various capacities

Wind Energy

The segment is engaged in generation and distribution of wind energy



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

### 46.2 Information about reportable segments

The following is an analysis of revenue and results from operations by reportable segments:

Particulars	Electrical Goods-Transformers, Cables etc.			Wind Energy			Unallocated Corporate			Total
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17		
Revenue										
Sale and services to external customer	2,11,94,08,444	1,19,52,67,349	1,24,08,352	1,19,01,324	-	-	2,13,18,16,796	-	1,20,71,68,673	
Revenue from Operations (Gross)	2,11,94,08,444	1,19,52,67,349	1,24,08,352	1,19,01,324	-	-	2,13,18,16,796	-	1,20,71,68,673	
Segment Results	23,91,07,000	13,85,80,999	82,96,000	60,65,000	-	-	24,74,03,000	-	14,46,45,999	
Unallocated Corporate Expenses (Net of unallocable income)	-	-	-	-	-	10,41,46,869	6,24,13,716	-	6,24,13,716	
Finance Costs	-	-	-	-	-	8,56,04,310	6,44,75,993	-	8,56,04,310	
Profit Before Tax	23,91,07,000	13,85,80,999	82,96,000	60,65,000	(18,97,51,179)	1,58,32,785	(12,68,89,709)	-	5,76,51,821	
Tax Expenses	-	-	-	-	-	1,58,32,785	28,14,532	-	1,58,32,785	
Profit After Tax	23,91,07,000	13,85,80,999	82,96,000	60,65,000	(20,55,83,964)	(12,97,04,241)	4,18,19,036	-	28,14,532	
Segment Assets	2,47,95,52,707	2,04,35,86,969	5,96,80,474	5,99,73,985	-	4,03,20,000	2,53,92,33,181	-	2,10,35,60,954	
Unallocated Corporate Assets	-	-	-	-	-	4,03,20,000	4,03,20,000	-	59,93,000	
<b>Total Assets</b>	<b>2,47,95,52,707</b>	<b>2,04,35,86,969</b>	<b>5,96,80,474</b>	<b>5,99,73,985</b>	<b>4,03,20,000</b>	<b>59,93,000</b>	<b>2,57,95,53,181</b>	<b>2,10,95,53,954</b>	<b>2,10,95,53,954</b>	
Segment Liabilities	1,15,21,78,131	70,99,95,694	-	5,08,703	-	-	1,15,21,78,131	-	71,04,04,397	
Unallocated Corporate Liabilities	-	-	-	-	-	38,58,38,000	40,44,19,000	-	40,44,19,000	
<b>Total Liabilities</b>	<b>1,15,21,78,131</b>	<b>70,99,95,694</b>	<b>-</b>	<b>5,08,703</b>	<b>-</b>	<b>38,58,38,000</b>	<b>40,44,19,000</b>	<b>1,53,80,16,131</b>	<b>1,11,48,23,397</b>	
Capital Expenditure	1,72,75,394	43,40,251	-	-	-	-	-	-	43,40,251	
Depreciation/Amortisation	1,67,43,481	1,62,27,476	30,62,829	34,88,098	-	4,67,225	4,91,760	-	2,02,73,535	
Non Cash Expenses other than amortisation	-	-	-	-	-	-	-	-	-	

Finance income and costs and fair value gains and losses on financial instruments are not allocated to individual segments as the underlying instruments are managed at company level. Current Taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at company level. Capital Expenditure consists of addition to Property, Plant and Equipment, Investment Property and Intangible assets.

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

### 46.3 Geographical Information

(Amount in ₹)

Particulars	Note No.	2017-18	2016-17
<b>Revenue by Geographical market</b>			
Sale of Products and Services			
- Domestic		2,03,03,53,430	1,10,57,62,915
- Export		10,14,63,366	10,14,05,758
<b>Total</b>		<b>2,13,18,16,796</b>	<b>1,20,71,68,673</b>
<b>Assets</b>			
Trade Receivable			
- Within India		1,05,82,44,321	56,80,27,810
- Outside India		3,49,61,258	2,83,55,453
<b>Total</b>		<b>1,09,32,05,579</b>	<b>59,63,83,263</b>

### 46.4 Information about major customers

Revenue in respect of Electrical Goods-Transformers, Cables etc. include sale to a public Sector Undertaking/Company pertaining to the power distribution sector which account for more than 10% of total sales aggregating to Rs. 49,80,84,486 ( March 31, 2017 Rs. NIL) of the total revenue of the Company.

### 47 Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" (Ind AS - 19) are given below:

#### (a) Defined Contribution Scheme

The Company has certain Defined Contribution Plans. Contributions are made to Provident Fund in India at the rate of 12% of salary of the employees covered as per the regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017
<b>Contribution to Defined Contribution Plan recognised as expense for the year are as under:</b>			
Employer's Contribution to Provident Fund and Family Pension Fund		4,78,585	1,44,000
Employer's Contribution to Employee State Insurance		36,024	8,192

#### (b) Defined Benefit Plan

The company has a defined benefit Gratuity plan. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. This is an unfunded plan.

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>Gratuity (Unfunded)</b>			
<b>A. Change in fair value of Defined Benefit Obligation :</b>			
Present Value of Defined Benefit Obligations as at the beginning of the year		58,27,588	71,24,091
Current Service Cost		2,43,105	5,18,177
Interest Cost		4,13,759	5,44,993
Benefit Paid		(3,50,810)	(18,09,262)
Actuarial (Gain) / Losses			
Remeasurements- Due to Financial Assumptions		(1,41,945)	1,62,479
Remeasurements- Due to Experience Adjustments		(20,05,158)	(7,12,890)
<b>Liability at the end of the year</b>		<b>39,86,539</b>	<b>58,27,588</b>
<b>B. Change in Fair Value of plan Assets :</b>			
Fair value of Plan Assets at the beginning of the year		-	-
Interest Income		-	-
Contributions by the Employers		-	-
Benefit paid		-	-
Remeasurements- Return on Assets (excluding Interest Income)		-	-
<b>Fair value of plan Assets at the end of the year</b>		<b>-</b>	<b>-</b>
<b>C. Amount Recognized in Balance Sheet:</b>			
Present Value of Defined Benefit Obligations as at the end of the year		39,86,539	58,27,588
Fair value of Plan Assets at the end of the year		-	-
		<b>39,86,539</b>	<b>58,27,588</b>
<b>D. Components of Defined Benefit Cost</b>			
Current Service Cost		2,43,105	5,18,177
Interest Cost		4,13,759	5,44,993
Expected Return on Plan Assets		-	-
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI		-	-
<b>Total Defined Benefit Cost recognized in the Statement of Profit and Loss</b>		<b>6,56,864</b>	<b>10,63,170</b>

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

Particulars	Note No.	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>E. Remeasurements Recognized in Other Comprehensive Income</b>			
Remeasurements- Due to Financial Assumptions		(1,41,945)	1,62,479
Remeasurements- Due to Experience Adjustments		(20,05,158)	(7,12,890)
Remeasurements- Return on Assets (excluding Interest Income)		-	-
<b>Remeasurements Recognized in Other Comprehensive Income</b>		<b>(21,47,103)</b>	<b>(5,50,411)</b>
<b>F. Balance Sheet Reconciliation</b>			
Opening Net Liability		58,27,588	71,24,091
Defined Benefit Cost included in Profit and Loss		6,56,864	10,63,170
Remeasurements Recognized in Other Comprehensive Income		(21,47,103)	(5,50,411)
Employers Contribution		-	-
<b>Amount Recognised in Balance Sheet</b>		<b>43,37,349</b>	<b>76,36,850</b>
<b>Particulars</b>			
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>G. Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:</b>			
Equity	-	-	-
Bonds	-	-	-
Other Current Assets	-	-	-
Insurance policies	-	-	-
<b>H. The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:</b>			
<b>Summary of Financial Assumption</b>			
Discount Rate		7.60%	7.10%
Salary Escalation- First Five Years		5.00%	5.00%
<b>Summary of Demographic Assumptions</b>			
Mortality Rate		IALM (2006-08) Table	
Retirement Age		58 years	58 years
Average future service		14.00	14.18

**Notes to Financial Statements for the year ended 31st March, 2018****I. Sensitivity analysis**

Particulars	Change in Assumptions	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Salary Escalation	1%	42,93,326	61,10,633
Salary Escalation	-1%	37,07,112	55,65,500
Discount Rate	1%	37,24,569	55,39,602
Discount Rate	-1%	42,78,504	61,51,457

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

**J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)**

Particulars	For the year ended March 31, 2018
1 year	1,25,881
2 to 5 years	19,49,361
6 to 10 years	25,68,020
More than 10 years	27,94,852

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

(₹)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>48 Financial Instruments</b>						
The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-						
<b>Financial Assets (Current and Non-Current)</b>						
<b>Financial Assets measured at Amortised Cost</b>						
Trade receivables	1,09,32,05,579	1,09,32,05,579	59,63,83,263	59,63,83,263	56,78,96,530	56,78,96,530
Cash and cash equivalents	1,05,85,542	1,05,85,542	1,95,96,350	1,95,96,350	1,78,18,405	1,78,18,405
Other Bank Balances	7,97,24,112	7,97,24,112	8,04,96,759	8,04,96,759	5,95,08,837	5,95,08,837
Loans	1,52,000	1,52,000	-	-	-	-
Other Financial Assets	1,91,88,512	1,91,88,512	3,13,81,945	3,13,81,945	3,66,16,889	3,66,16,889
<b>Financial Assets measured at Fair Value through Other Comprehensive Income</b>						
Investment in Equity Instrument	2,02,03,687	2,02,03,687	1,46,33,776	1,46,33,776	21,500	21,500
<b>Financial Assets measured at Fair Value through Profit or Loss</b>						
Investment in Mutual Fund	1,51,40,688	1,51,40,688	-	-	-	-
<b>Financial Liabilities (Current and Non-Current)</b>						
<b>Financial Liabilities measured at Amortised Cost</b>						
Borrowings	34,41,65,745	33,98,76,457	31,28,04,383	31,05,33,704	31,64,00,209	31,06,33,288
Trade Payables	79,38,44,782	79,38,44,782	43,54,91,411	43,54,91,411	29,98,92,990	29,98,92,990
Other Financial Liabilities	50,02,159	50,02,159	28,28,863	28,28,863	21,75,425	21,75,425

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

### Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, other bank balances, current loan, current trade receivables and payables, short term borrowing, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/ amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at fixed rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments in equity shares (other than Investments in Associates, Joint Venture and Subsidiaries) have been valued based on the historical net asset value as per the latest audited financial statements.

### Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

Particulars	As at March 31, 2018	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Investment in Equity Instruments	2,02,03,687	-	-	2,02,03,687
	(14633775)	-	-	(14633775)
	(-)	-	-	(-)
Investment in Mutual Fund	1,51,40,688	-	1,51,40,688	-
	(-)	-	(-)	-
	(-)	-	(-)	-

(\*) Figures in round brackets ( ) indicate figures as at March 31, 2017 and in brackets [ ] indicate figures as at April 01, 2016

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

Investment in Mutual Funds are based on their respective NAV as on the reporting date.

Unquoted investments in shares have been valued based on the amount available to shareholder's as per the latest audited financial statements. There were no external unobservable inputs or assumption used in such valuation.

### Derivative Instruments

Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

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

Disclosure of Open Future position as on 31st March 2018 ( for trading and arbitrage operations) are as follows:

Currency Future underlying	Number of Lots	Series Future and Expiry date	Buy/ Sold	Nature of Position	Number of Units involved	Mark to Market Price (in ₹)
USD		1st April 2018 and 25th April 2018	Sold	Short	(84000)	65.36

Disclosure of Open Future position as on 31st March 2017 ( for trading and arbitrage operations) are as follows:

Currency Future underlying	Number of Lots	Series Future and Expiry date	Buy/ Sold	Nature of Position	Number of Units involved	Mark to Market Price (in ₹)
USD		1st April 2018 and 26th April 2018	Sold	Short	(122000)	65.09

Un hedged Foreign Currency exposures are as follows : -

Nature	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Export Receivables	3,49,61,258	2,83,55,453

### FINANCIAL RISK FACTORS

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks including Fixed Deposits with Banks, Investments, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, investments, loan, trade payables and trade receivables.

#### Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the company's cash flows as well as costs. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

Further there are deposits with banks which are long term and short term period which are exposed to interest rate risk, falling due for renewal.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on the Profit or Loss with respect to floating rate portion of loans and borrowings.

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

Nature of Borrowing	Increase in basis points	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Rupee Loan	+0.5	35,22,811	26,53,333

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade receivables.

The Company evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Trade Receivables	Trade Receivables	Trade Receivables
USD	3,49,61,258	2,83,55,453	2,14,75,342
GBP	-	-	2,38,77,572
Total	3,49,61,258	2,83,55,453	4,53,52,914

Sensitivity analysis resulting in profit or loss mainly from USD and GBP denominated receivables and payables are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
	RECEIVABLES (Weakening of INR by 5%)	
USD	1748063	1417773

Figures in bracket represent Loss.

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

**CREDIT RISK**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company's exposure of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses), represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being well established, large and unrelated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

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

### Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise except those which are impaired.

### LIQUIDITY RISK

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital loans from banks. The Company invests its surplus funds in bank fixed deposit which carry no market risk. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

#### Liquidity table

The following tables detail the Company's contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

#### Interest rate and currency of borrowings

##### As at March 31, 2018

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	34,41,65,745	34,01,20,071	40,45,674	19.02%

#### Interest rate and currency of borrowings

##### As at March 31, 2017

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	31,28,04,383	31,24,88,922	3,15,461	15.88%

#### Maturity Analysis of unamortised Financial Liabilities

##### As at March 31, 2018

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	40,22,24,301	29,01,83,788	25,92,120	3,03,98,067	7,90,50,326	40,22,24,301
Other Liabilities	51,23,048	-	14,74,824	36,48,225	-	51,23,048
Trade and other payables	79,38,44,771	-	79,38,44,771	-	-	79,38,44,771

##### As at March 31, 2017

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	37,22,74,799	24,67,88,379	2,51,46,689	2,41,78,117	7,61,61,614	37,22,74,799
Other Liabilities	29,49,753	-	1,40,871	28,08,883	-	29,49,753
Trade and other payables	43,54,91,411	-	43,54,91,411	-	-	43,54,91,411

**Notes to Financial Statements for the year ended 31st March, 2018****As at April 1, 2016**

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	37,71,73,942	23,66,17,402	3,10,15,673	2,83,93,055	8,11,47,812	37,71,73,942
Other Liabilities	21,75,425	-	1,71,985	20,03,440	-	21,75,425
Trade and other payables	29,98,92,990	-	29,98,92,990	-	-	29,98,92,990

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The company relies on operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

**CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without the risk profile of the Company.

**The gearing ratio are as follows :**

Particulars	As at March 31, 2018	As at March 31, 2016	As at April 1, 2016
Borrowings	34,41,65,745	31,28,04,383	31,64,00,209
Less: Cash and Cash Equivalents	1,05,85,542	1,95,96,350	1,78,18,405
Net Debt	33,35,80,203	29,32,08,033	29,85,81,804
Equity	1,04,15,37,050	99,47,30,557	97,03,08,913
Equity and Net Debt	1,37,51,17,253	1,28,79,38,590	1,26,88,90,717
Gearing Ratio	0.24	0.23	0.24

**Notes to Financial Statements for the year ended 31st March, 2018**
**49 FIRST TIME ADOPTION OF IND AS - Disclosures, Reconciliation etc.**

- a) Reconciliation in terms of Ind AS 101 "First time adoption of Indian Accounting Standards"
- i) Reconciliation of Equity as at March 31, 2017 and April 1, 2016

Particulars	Ref Note No. (Under 49 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)				As at April 1, 2016 (Transition Date)			(Amount in ₹)
		As per Ind AS	Effect of transition to Ind AS	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS	Effect of transition to Ind AS	As per Previous GAAP	
<b>ASSETS</b>									
<b>(1) Non-Current Assets</b>									
(a) Property, Plant and Equipment	(i) (a) & (i) (d)	88,19,45,898	76,12,29,241	12,07,16,657		89,77,24,649	76,75,32,728		13,01,91,921
(b) Investment Property	(i) (b)	80,947	-	80,947		83,613	-		83,613
(c) Intangible assets	(i) (c)	1,02,580	-	1,02,580		2,05,743	-		2,05,743
(d) Financial Assets		-	-	-		-	-		-
(i) Investments	(iii) (b)	1,46,33,776	1,39,46,601	6,87,175		21,500	-		21,500
(ii) Other Financial Assets		1,99,67,697	-	1,99,67,697		2,47,30,960	-		2,47,30,960
(e) Other non-current assets	(ii)	16,00,000	6,00,000	10,00,000		6,75,000	6,75,000		-
<b>Total Non Current Assets</b>		<b>91,83,30,898</b>	<b>77,57,75,842</b>	<b>14,25,55,056</b>		<b>92,34,41,465</b>	<b>76,82,07,728</b>		<b>15,52,33,737</b>
<b>(2) Current Assets</b>									
(a) Inventories		42,01,84,778	-	42,01,84,778		29,45,73,418	-		29,45,73,418
(b) Financial Assets		-	-	-		-	-		-
(i) Investments		-	-	-		-	-		-
(ii) Trade receivables		59,63,83,263	-	59,63,83,263		56,78,96,530	-		56,78,96,530
(iii) Cash and cash equivalents		1,95,96,350	-	1,95,96,350		1,78,18,405	-		1,78,18,405
(iv) Other Bank Balances		8,04,96,759	-	8,04,96,759		5,95,08,837	-		5,95,08,837



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

Particulars	Ref Note No. (Under 49 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)		As at April 1, 2016 (Transition Date)		
		As per Ind AS	Effect of transition to Ind AS	As per Previous GAAP	Effect of transition to Ind AS	As per Previous GAAP
(v) Loans		-	-	-	-	-
(vi) Other financial assets	(iii) (c)	1,14,14,248	(5,61,107)	1,19,75,355	-	1,18,85,929
(c) Other current assets	(ii)	6,31,47,658	75,000	6,30,72,658	75,000	7,04,01,768
<b>Total Current Assets</b>		1,19,12,23,056	(4,86,107)	1,19,17,09,163	75,000	1,02,20,84,887
<b>Total Assets</b>		<b>2,10,95,53,954</b>	<b>77,52,89,735</b>	<b>1,33,42,64,219</b>	<b>76,82,82,728</b>	<b>1,17,73,18,624</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital		8,16,85,000	(7,50,00,000)	15,66,85,000	(7,50,00,000)	15,66,85,000
(b) Other Equity	49 (a) (ii)	91,30,45,557	50,89,00,471	40,41,45,087	88,86,23,913	38,55,29,671
<b>Total Equity</b>		<b>99,47,30,557</b>	<b>43,39,00,471</b>	<b>56,08,30,087</b>	<b>42,80,94,242</b>	<b>54,22,14,671</b>
<b>Liabilities</b>						
<b>(1) Non-current liabilities</b>						
(a) Financial Liabilities		-	-	-	-	-
(i) Borrowings	(iii) (a) & (iii) (d)	1,66,91,198	1,55,29,584	11,61,614	1,42,26,267	61,47,812
(b) Provisions		41,42,345	-	41,42,345	-	44,12,216
(c) Deferred Tax Liabilities (Net)	(iv)	27,78,63,702	26,97,51,701	81,12,000	27,62,48,049	95,94,000
(d) Other Non Current Liabilities	(iii) (a)	5,31,49,569	5,31,49,569	-	5,62,28,870	-
<b>Total Non Current Liabilities</b>		<b>35,18,46,814</b>	<b>33,84,30,854</b>	<b>1,34,15,959</b>	<b>33,71,09,186</b>	<b>2,01,54,028</b>

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

Particulars	Ref No. Note No. (Under 49 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)		As at April 1, 2016 (Transition Date)			
		As per Ind AS	Effect of transition to Ind AS	As per Previous GAAP	As per Ind AS	Effect of transition to Ind AS	As per Previous GAAP
<b>(2) Current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		29,39,02,833	-	29,39,02,833	29,03,22,912	-	29,03,22,912
(ii) Trade payables		43,54,91,411	-	43,54,91,411	29,98,92,990	-	29,98,92,990
(iii) Other financial liabilities	(iii) (c)	50,39,215	(1,20,890)	51,60,105	78,78,643	-	78,78,643
(b) Other current liabilities	(iii) (a)	2,65,81,848	30,79,300	2,35,02,548	1,68,06,378	30,79,300	1,37,27,078
(c) Provisions		19,61,276	-	19,61,276	31,28,302	-	31,28,302
(d) Current Tax Liabilities (Net)		-	-	-	-	-	-
<b>Total Current Liabilities</b>		<b>76,29,76,583</b>	<b>29,58,410</b>	<b>76,00,18,173</b>	<b>61,80,29,225</b>	<b>30,79,300</b>	<b>61,49,49,925</b>
<b>Total Liabilities</b>		<b>1,11,48,23,397</b>	<b>34,13,89,264</b>	<b>77,34,34,132</b>	<b>97,52,92,439</b>	<b>34,01,88,486</b>	<b>63,51,03,953</b>
<b>Total Equity and Liabilities</b>		<b>2,10,95,53,954</b>	<b>77,52,89,735</b>	<b>1,33,42,64,219</b>	<b>1,94,56,01,352</b>	<b>76,82,82,728</b>	<b>1,17,73,18,624</b>

**Notes to Financial Statements for the year ended 31st March, 2018**
**ii) Reconciliation of Total Equity as given above: (Amount in ₹)**

Particulars	Ref Note No. (Under 49 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 01, 2016 (Date of transition)
<b>Total equity (shareholders' funds) under Previous GAAP</b>		<b>56,08,30,087</b>	<b>54,22,14,671</b>
<b>Ind AS Adjustment</b>			
Effect of Fair valuation of Financial Instruments		1,13,40,172	(8,62,895)
Effect of derecognition of lease rentals		(8,25,000)	(7,50,000)
Effect of adjustment of fair valuation of Property, Plant & Equipment		76,27,29,241	76,90,32,728
Effect of Reclassification of 9% Non Cumulative, Non participating and Redeemable Preference Share Capital under Borrowing		(7,50,00,000)	(7,50,00,000)
Effect of amortisation of deferred income on financial liability		54,07,758	23,28,457
Recognition of deferred tax on asset base of Property, Plant and others		(26,97,51,701)	(26,66,54,048)
<b>Total Adjustment to Equity</b>		<b>43,39,00,470</b>	<b>42,80,94,242</b>
<b>Total equity under Ind AS</b>		<b>99,47,30,557</b>	<b>97,03,08,913</b>

**iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017**

Particulars	Ref Note No. (Under 49 (c))	As per Ind AS for the year ended March 31, 2017	Ind AS Adjustments	As per IGAAP for the year ended March 31, 2017
Revenue from operations		1,20,71,68,673	-	1,20,71,68,673
Other Income	(iii) (a)	2,10,94,775	30,79,300	1,80,15,475
<b>Total Income</b>		<b>1,22,82,63,448</b>	<b>30,79,300</b>	<b>1,22,51,84,148</b>
<b>EXPENSES</b>				
Cost of Material consumed		94,89,22,418	-	94,89,22,418
Purchases of Stock-in-Trade		56,69,033	-	56,69,033
Changes in Inventories of finished goods, Stock-in-Trade and work-in progress		(14,58,28,153)	-	(14,58,28,153)
Employee benefits expense	(v)	2,61,86,276	5,50,411	2,56,35,865
Finance costs	(iii) (a) & (iii) (d)	6,44,75,993	13,03,316	6,31,72,677
Depreciation and amortisation expense	(i) (a)	2,02,07,334	63,03,487	1,39,03,847

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

(Amount in ₹)

Particulars	Ref Note No. (Under 49 (c))	As per Ind AS for the year ended March 31, 2017	Ind AS Adjustments	As per IGAAP for the year ended March 31, 2017
Other expenses	(ii) & (iii) (c)	29,08,74,257	5,15,217	29,03,59,040
<b>Total expenses</b>		<b>1,21,05,07,158</b>	<b>86,72,431</b>	<b>1,20,18,34,727</b>
<b>Profit before tax</b>		<b>1,77,56,290</b>	<b>(55,93,131)</b>	<b>2,33,49,421</b>
<b>Tax expense:</b>				
Current tax		62,16,005	-	62,16,005
Deferred tax	(iv)	(34,01,473)	(19,19,473)	(14,82,000)
<b>Profit for the year</b>		<b>1,49,41,758</b>	<b>(36,73,658)</b>	<b>1,86,15,416</b>
<b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss	(v)	1,44,97,012	1,44,97,012	-
(ii) Income tax related to items that will not be reclassified to profit and loss	(v)	(50,17,126)	(50,17,126)	-
<b>Total Comprehensive Income for the year, net of tax</b>		<b>2,44,21,644</b>	<b>58,06,228</b>	<b>1,86,15,416</b>

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

Particulars	For the Year ended March 31, 2017
<b>Net profit / Other Equity under previous GAAP</b>	<b>1,86,15,416</b>
Increase in Other income due to amortisation of deferred income on financial liability	30,79,300
Increase in Finance Costs as per Effective Interest Method	(13,03,316)
Effect of depreciation on adjustment of Fair valuation of Property, Plant and Equipment	(63,03,487)
Effect of derecognition of lease rentals	(75,000)
Gain on adjustment for gratuity amount recognized in other comprehensive income	(5,50,411)
MTMM Gain on derivatives	(4,40,217)
Recognition of deferred tax on asset base of Property, Plant & Equipment and others	19,19,473
<b>Net Profit/(Loss) for the period under IND-AS</b>	<b>1,49,41,758</b>
<b>Other Comprehensive Income (net of taxes)</b>	
Effect of fair valuation of financial instruments	91,19,961
Actuarial gain/(loss) on Employee Benefit Expense	3,59,925
<b>Total Comprehensive Income for the period / Other Equity as at March 31, 2017 under Ind AS</b>	<b>2,44,21,644</b>

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

### v) Reconciliation of statement of cash flows for the year ended March 31, 2017

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

### b) FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions

These financial statements are covered by Ind AS 101, “First Time Adoption of Indian Accounting Standards”, as they are the Company’s first Ind AS financial statements for the year ended March 31, 2018.

#### i) Overall principle:

- a) The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind-AS has been recognized directly in retained earnings at the date of transition (i.e, April 1, 2016).
- b) However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

#### i) Deemed cost for Property, Plant and Equipment

Property, plant and equipment has been carried in accordance with Previous GAAP carrying value as deemed cost at the date of transition excepting freehold land and buildings valued at Fair value at the date of transition, which has been considered as deemed cost.

#### ii) Deemed cost for Intangible assets

The Company has elected to continue with the carrying value of all of its intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

#### iii) Impairment of financial assets

Ind AS 109 “Financial Instruments” requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### iv) Determining whether an arrangement contains a lease

The Company as on the date of transition complied with Ind AS 17 “Leases” to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS, accordingly leasehold land has been reclassified as operating lease.

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

### v) Business Combination

In terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards", the Company has elected to not to apply Ind AS 103 "Business Combination" for past combinations.

### c) Explanatory Notes to reconciliation between Previous GAAP and Ind AS

#### (i) Property, Plant and Equipment

- (a) The company has elected to measure all its Property, Plant and Equipment as per the provisions of Ind AS 101 "First Time Adoption of Indian Accounting Standard" at the previous GAAP carrying amount as on the date of transition i.e. 1st April 2016; as its "Deemed Costs" except in case of Land (both Freehold and Leasehold) and Building where fair values as valued by an independent valuer has been considered as "Deemed Costs".

The details regarding the fair value of Land and Building as on the transition date as above are as follows:

1. The fair value of land and building is ₹ 72,43,33,214 and ₹ 12,15,18,271 respectively; and
2. The aggregate adjustment to the carrying amount of Land and Building reported under previous GAAP is ₹ 69,65,71,653 and ₹ 7,24,61,075 respectively with corresponding impact in retained earnings

The fair value above has been determined based on the valuation carried out by external independent valuers. These were determined based on market value of similar assets, significantly adjusted for differences in the nature, location or condition of the specific items of Property, Plant and Equipment. The fair valuation involves higher degree of uncertainty and subjectivity.

Subsequent changes for the year ended March 31, 2017, due to additional depreciation as a result of fair valuation, amounting to Rs. 63,03,487 shown under Depreciation and amortisation expense has been recognised in the Statement of Profit and Loss.

- (b) Under the Previous GAAP, a building purchased and given on rent was shown as a part of Property, Plant and Equipment at its carrying value and depreciation on the same was charged to the Statement of Profit and Loss. Under Ind AS, the Company has reclassified the above said building under Investment Property with corresponding depreciation being charged to Statement of Profit and Loss.

On transition date, this has resulted in increase in Investment Property by Rs. 83,613 with corresponding decrease in the value of Building under Property, Plant and Equipment.

- (c) Certain identifiable non-monetary asset without physical substance shown under Property, Plant and Equipment under the Previous GAAP have been reclassified to Intangible Assets under Ind AS. On transition date, this has resulted in increase in Intangible Assets by Rs.2,05,743 with corresponding decrease in the value of Property, Plant and Equipment.

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

(d) Under Previous GAAP, leasehold land was shown as part of Tangible fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore the said lease has been considered as operating lease and shown as prepayment and amortised over the lease period. This reclassification resulted in decrease in Property, Plant and Equipment by ₹ 15,00,000, retained earnings by ₹ 7,50,000 and increase in Prepayments by ₹ 7,50,000.

**(ii) Operating Lease**

Under Previous GAAP, leasehold land was shown as part of Tangible fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore the said lease has been considered as operating lease and shown as prepayment and amortised over the lease period. This reclassification resulted in decrease in Property, Plant and Equipment by ₹ 15,00,000, retained earnings by ₹ 7,50,000 and increase in Prepayments by ₹ 7,50,000 (₹ 75,000 being current portion of the prepayments to be amortised in 2018-2019 have been shown under Other current assets and balance ₹ 6,75,000 have been shown under Other Non current assets).

Subsequent changes for the year ended March 31, 2017 amounting to Rs. 75,000 being annual amortisation/charge of the prepayment of land during the tenure of the lease have been shown under other expenses in the Statement of Profit and Loss.

**(iii) Fair valuation of Financial Assets and Liabilities****(a) Preference Share Capital**

Under previous GAAP, Redeemable Preference Share issued was considered as part of share capital. Under Ind AS, the above said shares issued have been considered as in the nature of borrowings and needs to be considered as debt, fair valued at the transaction date and subsequently carried at amortised costs based on Effective Interest Rate method.

The Company has issued 7500000 9% Non Cumulative, Non participating and Redeemable Preference Share Capital of ₹ 10/- each on 30th June 2015 and which is redeemable after 20 years from the date of allotment

Accordingly, the above issued Non Cumulative, Non participating and Redeemable Preference Share Capital have been classified from Share Capital to Borrowings and on transition date i.e. as on April 1, 2016, this has resulted into decrease in the amount of preference share capital by ₹ 7,50,00,000 with corresponding increase in Borrowings by ₹ 1,42,63,190, deferred income on fair valuation of such financial instrument by ₹ 5,93,08,170 (including ₹ 30,79,000 shown under other current liabilities) and increase in total equity by ₹ 14,28,640 . Subsequent changes for the year ended March 31, 2017 amounting to ₹ 30,79,300 shown under Other Income and ₹ 12,83,687 shown under Finance costs has been recognised in the Statement of Profit and Loss.

**(b) Investment in Equity Instrument**

Under previous GAAP, Non-current Investments were stated at cost less provision, if any, for diminution in value other than temporary.

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

Under Ind AS, the Company has made an irrevocable decision to consider investments made in equity instruments other than Investment in Subsidiaries, Associates and Joint Ventures not held for trading to be recognized at Fair Value Through Other Comprehensive Income

As at March 31, 2017, the Company has recognized a gain of ₹ 1,39,46,601 (gross) in other comprehensive income in the Statement of Profit and Loss with the corresponding increase in the carrying value of such investments.

### (c) Fair Valuation of Derivative Instruments

Under previous GAAP, exchange difference arising with respect to forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm contracts or of highly probable forecast transactions were recognised in the period in which they arise and the difference between the forward contract and exchange rate on the date of transaction is recognised as revenue/expense over the life of the contract.

Under Ind AS, both reductions and increases to the fair value of derivative contracts that is either not designated as a hedge or is so designated but is ineffective are recognised in statement of Profit and Loss.

The Company has fair valued the forward contract outstanding as at March 31, 2017 resulting in loss of ₹ 4,40,217 shown under other expenses recognized in the Statement of Profit and Loss.

### (d) Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of Profit & Loss in the year in which such costs were incurred.

Under Ind AS, financial liability consisting of long term borrowings are fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. The transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying EIR.

On transition date, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by ₹ 36,921 as on April 1, 2016 respectively with corresponding increase in total equity and subsequent changes for the year ended March 31, 2017 amounting to Rs. 19,629 shown under Finance Costs has been recognised in the Statement of Profit and Loss.

### (iv) Deferred Tax

Deferred tax has been recognized in respect of differences between carrying value of assets and liabilities and its tax base. These adjustments have resulted in increase in deferred tax liability and decrease in equity by ₹ 26,66,54,048 as on April, 1, 2016 and subsequent changes for the year ended March 31, 2017 amounting to ₹ 30,97,652 shown under deferred tax charges has been recognised in the Statement of Profit and Loss.

**Notes to Financial Statements for the year ended 31st March, 2018****(v) Remeasurement of Defined Benefit Plan**

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis and the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses form part of remeasurements net defined benefit liability/asset is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

This has resulted in reclassification of re-measurement gains on defined benefit plans (net of tax) of Rs. 3,59,925 for the year ended March 31, 2017 from Statement of profit and loss to OCI.

**(vi) Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.**

50. In the opinion of the management and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmation and adjustment, if any.
51. These financial statements have been approved by the Board of Directors of the Company on May 30, 2018 for issue to the shareholders for their adoption.

These notes are an integral part of the Financial Statements. For and on behalf of the Board of Directors  
As per our Report of even date

**For Lodha & Co**  
*Chartered Accountants*  
Firm's ICAI Registration No.: 301051E

**S. S. Jain**  
*Chairman*

**H. K. Verma**  
*Partner*  
Membership No. : 055104  
Place : Kolkata  
Date : 30th May, 2018

**Abhay Bhutoria**  
*Managing Director*  
DIN: 00013712  
**Mukesh Jain**  
*Chief Financial Officer*

**R. Bhutoria**  
*Vice Chairman & Whole Time Director*  
DIN: 00013637  
**Sandip Gupta**  
*Company Secretary*



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