S&S POWER SWITCHGEAR LIMITED

OUR VISION

"To Become Preferred Switchgear and P&C Solutions Company"

Annual Report 2017-2018

YEAR 2017-18 AT A GLANCE

Customer Care Day – PGCB
Held at Hotel Six Seasons, Dhaka, in Bangladesh during August 2017

Training on High Voltage Disconnectors
Held at S&S Power Switchgear Equipment Limited, Pondicherry in December 2017

MindCore Technology, Canada,
Visit to S&S Power

Fuji Visit - Quality Assessment

PowerElec Ghana
Trade Exhibition held at Accra, Ghana in August 2017

PRR for first Digital S/s in UK

MEE Exhibition, Dubai

BELFAST Exhibition, UK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF S&S POWER SWITCHGEAR LIMITED

Report on the Consolidated Ind-AS Financial Statements

We have audited the accompanying Consolidated Ind-AS financial statements of S&S Power Switchgear Limited ('the Holding Company') and its subsidiaries (hereinafter the Holding company and its subsidiaries together referred to as "the Group"), which comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind-AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under.

The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind-AS financial statements. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind-AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind-AS financial statements based on our audit. While conducting 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 consolidated Ind-AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind-AS financial statements are free from material misstatement.

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

In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind-AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of the reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind-AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries referred to in Other Matters paragraph below, the aforesaid Consolidated Ind-AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind-AS, of the consolidated state of affairs of the Group as at 31st March, 2018 and the consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 2 step down subsidiaries whose financial statements reflect total assets of Rs. 5,99,301 thousand and net assets of Rs.1,66,548 thousand as at March 31, 2018, total revenue of Rs. 7,82,114 thousand, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 40,053 thousand and net cash outflows amounting to Rs. 1,972 thousand, for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The aforesaid subsidiaries which are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion and consolidated Ind-AS financial statements and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The comparative consolidated financial information for the transition date consolidated opening balance sheet as at 1st April, 2016 and also the consolidated financial information for the period ended 31st March, 2017, prepared in accordance with Ind AS included in the consolidated financial statements is based on the previously issued Consolidated Financial Statements for the year ended 31st March, 2016 and 31st March, 2017 prepared in accordance with the accounting standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 as amended which were audited by the predecessor auditor, GSV Associates, whose reports dated 26th May, 2016 and 5th June, 2017 expressed a modified opinion on the Consolidated Financial Statements, and have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have been audited 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 the paragraph 3 and 4 of the order.

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

   (a) We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind-AS financial statements.

   (b) In our opinion, proper books of account as required by law have been kept by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid Consolidated Ind-AS financial statements so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the Consolidated Ind-AS financial statements;

   (d) In our opinion the aforesaid Consolidated Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

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

(i) The Consolidated Ind-AS financial statements disclosed the impact, if any, of pending litigations as at 31st March, 2018 on the consolidated financial position of the Group - Refer note 43 to the Consolidated Ind-AS financial statements.

(ii) The Group does not have any material foreseeable losses for which a provision may be necessary.

(iii) There were no amounts that were required to be transferred to the investor education protection fund by the Company during the year ended 31st March, 2018.

For C N K & Associates LLP
Chartered Accountants
FRN: 101961W/W-100036

Vijay Mehta
Partner
Membership Number: 106533

Place: Chennai
Date : May 29, 2018

Annexure - A to the Independent 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 S&S Power Switchgear Limited ("the Holding Company") and its subsidiary companies incorporated in India as of 31st March, 2018 in conjunction with our audit of the Consolidated Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are 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 over financial reporting that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding 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 the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary Companies, incorporated in India, internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such controls were operating effectively as at 31st March, 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.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two step down subsidiary companies which are companies incorporated outside India is based on the corresponding reports of the auditors of such companies incorporated outside India. Our opinion is not qualified in respect of this matter.

For C N K & Associates LLP
Chartered Accountants
FRN: 101961W/W-100036

Vijay Mehta
Partner
Membership Number: 106533

Place: Chennai
Date: May 29, 2018

S&S POWER SWITCHGEAR LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 201 8

(Rs. in Thousands)

Sl.No.	Particulars	Note No.	As at 31st March 201 8	As at 31st March 201 7	As at 1st April 2016
	ASSETS				
(1)	Non-current assets				
	(a) Property, Plant and Equipment	5	1,23,461	1,08,192	1,12,084
	(b) Intangible assets	6	4,145	11	16
	(c) Goodwill	7	3,20,884	2,62,674	3,14,354
	(d) Investments in Joint Venture	8	-	31,156	28,688
	(e) Financial Assets				
	(i) Loans and deposits	9	8,835	6,629	10,603
	(f) Deferred Tax Assets (Net)	10	-	3,462	2,047
	(g) Other Non-current assets	11	930	1,737	2,695
	Total Non-Current Assets		4,58,255	4,13,861	4,70,487
(2)	Current assets				
	(a) Inventories	12	1,29,491	83,354	96,529
	(b) Financial Assets				
	(i) Investments	13	290	290	274
	(ii) Trade receivables	14	3,27,320	2,20,224	1,85,820
	(iii) Cash and cash equivalents	15	37,083	39,542	38,570
	(iv) Bank balances other than (iii) above	16	18,739	306	299
	(v) Loans	17	3,460	62,830	41,896
	(c) Current Tax Assets	18	6,949	7,995	7,171
	(d) Other current assets	19	47,280	15,046	32,728
	Total Current Assets		5,70,612	4,29,587	4,03,287
	Total Assets		10,28,867	8,43,448	8,73,774
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	20	62,000	62,000	62,000
	(b) Other Equity	21	1,03,470	66,691	1,21,975
	Equity attributable to owners of the Company		1,65,470	1,28,691	1,83,975
	Non-Controlling interests		34,869	16,499	38,637
	Total equity		2,00,339	1,45,190	2,22,612
	LIABILITIES				
(1)	Non-current liabilities				
	(a) Provisions	22	2,30,583	2,01,207	1,84,390
	(b) Deferred liabilities (net)	23	2,124	-	-
	Total Non-current liabilities		2,32,707	2,01,207	1,84,390

(Rs. in Thousands)

Sl.No.	Particulars	Note No.	As at 31st March 201 8	As at 31st March 201 7	As at 1st April 2016
(2)	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	24	2,96,063	1,92,061	1,47,476
	(ii) Trade payables	25	2,52,952	2,54,110	2,73,010
	(b) Provisions	26	2,166	141	6,327
	(c) Other current liabilities	27	44,640	50,739	39,959
	Total current liabilities		5,95,821	4,97,051	4,66,772
	Total Equity and Liabilities		10,28,867	8,43,448	8,73,774

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W100036

Vijay Mehta
Partner
Membership No.: 106533

Date : May 29, 2018
Place : Chennai

For and on behalf of the Board of Directors

Ashish Sushil Jalan
Director
DIN No: 00031311

Ashok Kumar Vishwakarma
Managing Director
DIN No: 05203223

A Mahesh
Chief Financial Officer

C Abhilash
Company Secretary
M.No. A36343

S&S POWER SWITCHGEAR LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2018

(Rs. in Thousands)

Sl.No.	Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I	Revenue From Operations	28	10,34,136	8,97,565
II	Other Income	29	38,374	16,026
III	Total Income (I+II)		10,72,510	9,13,591
IV	EXPENSES			
	Cost of materials consumed	30	6,56,969	5,56,457
	Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress	31	4,056	(2,300)
	Excise duty on sale of goods	-	6,147	25,638
	Employee benefits expense	32	2,37,406	2,13,861
	Finance costs	33	27,465	24,357
	Depreciation and Amortization expense	34	6,352	6,836
	Other expenses	35	95,902	89,389
	Total Expenses (IV)		10,34,297	9,14,238
V	Share of profit/(loss) of joint venture		8,112	2,469
VI	Profit/(loss) before tax (III-IV +V)		46,325	1,822
VII	Tax expense:			
	(1) Current tax		-	-
	(2) Short/(Excess) provision for tax - Previous years	38	-	(28)
	(3) Deferred tax	38	(5,301)	1,209
VIII	Profit/(loss) for the year (V -VI) I		41,024	3,003
IX	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans	37	1,096	(665)
	- Remeasurement of Defined benefit plans - AL UK	37	6,093	(46,444)
	- Fair value adjustment on business combination		(7,354)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	38	(285)	205
X	Total other comprehensive income		(450)	(46,904)
XI	Total comprehensive income for the year (VII + X)		40,574	(43,901)
XII	Profit attributable to:			
	- Owners of the Company		30,066	(2,531)
	- Non controlling interest		10,958	5,534
XIII	Total comprehensive income attributable to:			
	- Owners of the Company		27,562	(34,086)
	- Non controlling interest		13,012	(9,815)
XIV	Earnings per equity share			
	(1) Basic & Diluted (Face Value Rs.10 per equity share)	36	6.62	0.48

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W100036

Vijay Mehta
Partner
Membership No.: 106533

Date : May 29, 2018
Place : Chennai

For and on behalf of the Board of Directors

Ashish Sushil Jalan
Director
DIN No: 00031311

Ashok Kumar Vishwakarma
Managing Director
DIN No: 05203223

A Mahesh
Chief Financial Officer

C Abhilash
Company Secretary
M.No. A36343

S&S POWER SWITCHGEAR LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

a. Equity Share Capital: (Note No.18)

(Rs. in Thousands)

Particulars	Amount
Balance as at 1st April, 2016	62,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	62,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	62,000

b. Other Equity:

(Rs. in Thousands)

Particulars	Reserves and Surplus					Total Equity
	General Reserve	Securities Premum	Retained Earnings	Foreign currency translation reserve	Non Controlling Interest	
As at 1st April, 2016	47,812	1,84,000	(1,75,718)	65,881	38,637	1,60,612
Profit for the year 2016-17	-	-	(2,531)	-	5,534	3,003
Other comprehensive income for the year 2016-17 (net of tax)	-	-	(34,086)	-	(9,815)	(43,901)
Foreign Currency Translation Difference	-	-	-	(34,820)	-	(34,820)
Total comprehensive income for the year	-	-	(36,617)	(34,820)	(4,281)	(75,718)
Less:						
Transfer from/to Non Controlling interest	-	-	-	11,491	(11,491)	-
Other movements in the reserves	-	-	4,662	-	(6,366)	(1,704)
As at 31st March, 2017	47,812	1,84,000	(2,07,673)	42,552	16,499	83,190
Profit for the year 2017-18	-	-	30,066	-	10,958	41,024
Other comprehensive income for the year 2017-18 (net of tax)	-	-	(2,504)	-	2,054	(450)
Foreign Currency Translation Difference	-	-	-	16,680	-	16,680
Total comprehensive income for the year	-	-	27,562	16,680	13,012	57,254
Less:						
Transfer from/to Non Controlling interest	-	-	-	(5,504)	5,504	-
Other movements in the reserves	-	-	(1,959)	-	(146)	(2,105)
As at 31st March, 2018	47,812	1,84,000	(1,82,070)	53,728	34,869	1,38,339

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W100036

For and on behalf of the Board of Directors

Ashish Sushil Jalan
Director
DIN No: 00031311

Ashok Kumar Vishwakarma
Managing Director
DIN No: 05203223

Vijay Mehta
Partner
Membership No.: 106533

A Mahesh
Chief Financial Officer

C Abhilash
Company Secretary
M.No. A36343

Date : May 29, 2018
Place : Chennai

S&S POWER SWITCHGEAR LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Thousands)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash flow from operating activities		
Profit for the year	41,024	3,003
Adjustments for		
Finance costs	27,115	22,749
Depreciation and amortisation of non current assets	6,352	2,678
Interest income	(21,926)	(10,919)
Income tax expense		28
(Gain)/loss on disposal of property, plant and equipment	19	(881)
Fair valuation of Lease rental deposit	957	957
OCI Reclassification	887	(459)
Provision for deferred taxes, employee benefits and others	921	(6,067)
Forex Flucuations & Net unrealised exchange (gain) / Loss	1,979	(15,872)
Other Non-cash adjustments	(3,738)	1,670
Operating profit before working capital changes	53,590	(3,113)
Movements in working capital		
(Increase)/decrease in inventories	7,053	675
(Increase)/decrease in trade receivables	(12,356)	(59,736)
(Increase)/decrease in non current assets	(29,837)	21,834
Increase /(decrease) in trade payables	(59,007)	17,130
Increase /(decrease) in other financial liabilities	(9,137)	21,019
Increase/ (decrease) in other current liabilities	56,471	(1,054)
Cash generated from operations	6,777	(3,245)
Direct taxes paid (net)	-	(28)
Net cash from operating activities (A)	6,777	(3,273)
B. Cash flows from investing activities		
Payment for property, plant and equipment (PPE) (including Capital work-in-progress)	(5,775)	(17,594)
Payment for intangible assets	(1,280)	-
Proceeds from disposals of PPE	2,251	5,492
Investment in Subsidiary	(38,073)	-
Payment for Security Deposits	(100)	-
Interest received	9,664	6,556
Proceeds received from sale of current investments	-	(16)
Investment in bank deposit	(2,598)	(7)
Net cash (used in) investing activities (B)	(35,911)	(5,569)

(Rs. in Thousands)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C. Cash flow from financing activities		
Proceeds from borrowings	48,191	46,963
Repayment of current borrowings	(27,115)	(21,482)
Interest paid	(11,327)	(20,030)
Interest received	12,262	4,363
Net cash (used in) financing activities (C)	22,011	9,814
NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	(7,123)	972
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts and deposit account	38,990	38,447
Add: Addition due to acquisition of Joint Venture	4,571	-
Cash on hand	552	123
Add: Addition due to acquisition of Joint Venture	93	-
CASH AND CASH EQUIVALENTS AS PER NOTE 15	44,206	38,570
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts and deposit account	36,945	38,990
Cash on hand	137	552
CASH AND CASH EQUIVALENTS AS PER NOTE 15	37,083	39,542

Summary of significant accounting policies Note 3

Notes:
1. The figures in brackets represents cash outflows.
2. Previous period's figures have been regrouped / reclassified, wherever necessary to confirms to current year presentation.

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W100036

For and on behalf of the Board of Directors

Ashish Sushil Jalan
Director
DIN No: 00031311

Ashok Kumar Vishwakarma
Managing Director
DIN No: 05203223

Vijay Mehta
Partner
Membership No.: 106533

A Mahesh
Chief Financial Officer

C Abhilash
Company Secretary
M.No. A36343

Date : May 29, 2018
Place : Chennai

S&S POWER SWITCHGEAR LIMITED

Notes to the Consolidated Financial statements for the year ended March 31, 2018

All amounts are Rs. in Thousands unless otherwise stated

1. General Information

S & S Power SwitchgearLimited("theCompany") is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on both the Bombay Stock Exchange and the NationalStockExchange. The Company has its registered office&manufacturingplantlocated at Maraimalai Nagar (near Chennai) TamilNadu, India.

The Company along with its subsidiaries ('the Group'), and jointly controlled entities is primarily engaged in the business of Transmission & Distribution of Equipment industry; power sector focused Switchgear, P&C Solutions and associated electrical systems, product and services.

2. Basis of preparation

A. Statement of Compliance

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

The financial statements up to year ended March 31,2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended)and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 4.

The financial statements were authorized for issue by the Company's Board of Directors on [29/05/2018].

B. Principles of Consolidation and Equity Accounting

S & S Power Switchgear Limited consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled and its subsidiaries as disclosed in Note 2.25.

1. Subsidiary

Subsidiaries are all entities (including structure dentities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2. Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint. The Company has entered into a joint venture agreement with Coelme SPA Italy.

3. Joint ventures

Interests in joint ventures are accounted for using the equity method (see 4 below), after initially being recognized at cost in the consolidated balance sheet.

4. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note VI below.

C. Functional and presentation currency

Items included in the Consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR),which is the Company's functional and presentation currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

D. Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

1. An asset is treated as current when it is:

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

2. All other assets are classified as non-current.

3. A liability is treated as current when:

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

4. All other liabilities are classified as non-current.

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

E. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values as per the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI)for the following:

a) Certain financial assets and liabilities (including derivative instruments) and commitments that are measured at fair value; and

b) Defined benefit plans - plan assets measured at fair value.

c) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognized in the financial statement:

1. Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

2. Contingencies

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.

3. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

4. Insurance claims

Insurance claims are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

5. Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 37 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 43 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

8. Property, plant and equipment

External adviser or internal technical team assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

9. Intangibles

Internal technical or user team assesses the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

G. Measurement of fair values

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing service, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes

- Note 39 – financial instruments;

3. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the Group financial statements.

(I) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts.

NRV: Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(II) Foreign currency transactions and balances:

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions first qualifies for recognition. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI);and
- qualifying cash flow hedges to the extent that the hedges are effective.

1. Monetary Item

A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

2. Non-monetary item:

Non-monetaryitemsthataremeasuredatfairvalueina foreign currency are translated using exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as a part of the fair value gain or loss.

3. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet.
- income and expenses are translated at Average Exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which incomes and expenses are translated at the dates of the transactions), and all resulting foreign exchange differences are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The results and financial position of foreign operation which have a functional currency similar to the Company are translated using the same principle enumerated in Note II (2) above.

(III) Revenue recognition

Revenue is recognized at fair value of the consideration received and receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amount collected on behalf of third parties. With the introduction of GST from 1st July 2017, revenue is recognized exclusive of GST.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement.

(a) Sale of goods

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Sale of services

Revenue from service contracts are recognized net of service tax or GST when the following conditions are satisfied.

- The amount of revenue can be measured reliable
- It is probable that the economic benefits associated with the transaction will flow to the Company
- The stage of completion of transaction at the end of the reporting period can be measured reliably.
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably

(c) Rent

Rental Income is recognized on accrual basis in accordance with terms of respective rent agreements.

(d) Interest

Interest income is recognized using effective interest method and subject to the following conditions

- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The amount of revenue can be measured reliably.

(e) Dividend

Dividend income is recognized when the following conditions have been satisfied

- when the Company's right to receive payment is established.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The amount of dividend can be measured reliably.

(f) Export Incentive

Export incentive available under prevalent schemes are recognized in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization/ realization of such duty credit.

(IV) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enactedor substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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

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

MAT: Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognized as a part of deferred tax assets. As deferred tax asset shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

(V) Leases

As a lessee

Leases of property, plant and equipment where the Company, as a lessee, has substantially all the risks and rewards of ownership have been classified as finance leases. Finance leases are measured at the lower of the fair value of the leased property and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Minimum lease payment is allocated between reduction of the outstanding liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(VI) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than good will that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(VII) Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an in significant risk of changes in value.

(VIII) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, if any. Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(IX) Investments and other financial assets

A. Classification

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

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those measure data mortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

B. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

1. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

i. Amortizedcost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. Fair value through other comprehensive income(FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income / (expense). Interest income from these financial assets is included in other income using the effective interest rate method.

iii. Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other income/ (expense) in the period in which it arises. Interest income from these financial assets is included in other income.

2. Equity instruments

The Company measures all equity investments at fair value, except for investments forming part of interest in subsidiaries and joint ventures, which are measured at cost. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income/ (expense) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

C. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 detail show the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized from initial recognition of the receivables.

D. Derecognition of financial assets

A financial asset is derecognized only when

a) The Company has transferred the rights to receive cash flows from the financial asset or

b) The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

X. Accounting for Joint Venture

S&S Power Switchgear Equipment Limited was accounted as subsidiary under previous GAAP where as it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:-

- On the transition date, recognized its investment in SSPSE Limited by measuring it at the aggregate of carrying amount of the assets and liabilities that the Group had consolidated as subsidiary under previous GAAP as of the transition date;
- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has test the investment in SSPSE Limited for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for SSPSE limited using the equity method in accordance with Ind AS 28.

XI. Property, Plant and Equipment:

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 and the cost of the item can be measured reliably.

Spare Parts: Spare parts are treated as capital assets in accordance with Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the previous GAAP adjusted for the impact of outstanding government grant relating to purchase of property plant and equipment and use the value so arrived as the deemed cost of the property, plant and equipment.

Depreciation: Depreciation methods, estimated useful lives and residual value Depreciation is calculated using the straight-line and written down value methods to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives have been determined based on Schedule II to the Companies Act, 2013, The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / (expense).

XII. Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment properties(otherthanland)are depreciated using the written down value method over their estimated useful lives. Investment properties have a useful life of 30 years. The useful lives have been determined based on Schedule II to the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

XIII. Business Combinations & Intangible assets

Business Combinations: Business combinations are accounted for using Ind AS 103,Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

Intangible Assets: The intangible asset includes technical know-how and computer software which are recorded at the cost of acquisition and are amortized over a period of five years or their legal/useful life whichever is less.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

XIV. Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire when the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the Statement of Profit and Loss. Goodwill is measured at costless accumulated impairment losses.

XV. Research and development

Research and development expenditure that do not meet the criteria for recognition as intangible assets are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in the subsequent period.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

XVI. Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless paymentisnotduewithin12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

XVII.Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period.

XVIII. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

XIX. Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

XX. Employee Benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund

a. Gratuity obligations

- Defined Benefit Plans

  The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

  The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

- Defined contribution plan

  The Company pays provident fund to Employee Provident Fund Account as per Employees Provident Fund Act, 1952. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

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

(XXI) Dividends

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

(XXII) Earnings Per Share:

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

$$\frac{\text{Profit attributable to owners of the Company}}{\text{Weighted Average Number of Equity Shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 47).}}$$

(ii) Diluted earnings per share

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

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

4. First-time Adoption of Ind AS:

These are the Group's first financial statements prepared in accordance with Ind AS. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP". The Significant Accounting Policies set out in Note No. 1 to 3 have been applied in preparing the financial statements for the year ended 31st March 2018, 31st March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1st April 2016.

In preparing its Ind AS Balance Sheet as at 1st April 2016 and in presenting the comparative information for the year ended 31st March 2017, the Group has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Group in restating its Consolidated financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

(a) Deemed Cost

The Group has elected to continue with the carrying value for all of its property, plant and equipments and Intangible assets as recognised in the financial statement as at 31.03.2016, measured as per the previous GAAP and use that as its deemed cost as at the transition date.

B. Applicable Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Investment in equity instruments carried at fair value through other comprehensive income; and

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

(b) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 shall be applied prospectively i.e. after the transition date.

(c) Classification and measurement of financial assets

As required under Ind AS 101 the Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

(i) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date);

(ii) Reconciliation of Balance sheet as at 31st March, 2017;

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

(iv) Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017;

(v) Adjustments to Statement of Cash Flows.

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The re-grouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

(i) & (ii) Reconciliation of Balance sheet as at 1st April, 2016 and 31st March, 2017:

(Rs. in Thousands)

Particulars	Note Reference	As at 31st March, 2017 (End of the last period presented under previous GAAP)			As at 1st April, 2016 (Date of transition)		
		Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet	Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet
ASSETS							
Non-Current Assets							
(a) Property, Plant and Equipment	A, E	71,309	36,883	1,08,192	1,20,199	(8,115)	1,12,084
(b) Intangible assets	A, E	2,429	(2,418)	11	333	(317)	16
(c) Goodwill	B, E	5,67,631	(3,04,957)	2,62,674	6,55,158	(3,40,804)	3,14,354
(d) Investment in joint venture	E	-	31,156	31,156	-	28,688	28,688
(i) Loans and deposits	E, D	15,782	(9,153)	6,629	20,506	(9,903)	10,603
(e) Deferred Tax Asset (Net)	C	(4,862)	8,324	3,462	(4,613)	6,660	2,047
(f) Other Non Current Assets	D	-	1,737	1,737	-	2,695	2,695
Total non-current assets		6,52,289	(2,38,428)	4,13,861	7,91,583	(3,21,096)	4,70,487
Current Assets							
(a) Inventories	E	1,27,579	(44,225)	83,354	1,45,651	(49,122)	96,529
(b) Financial Assets							
(i) Investments		290	-	290	274	-	274
(ii) Trade receivables	E, F	3,63,892	(1,43,668)	2,20,224	2,66,323	(80,503)	1,85,820
(iii) Cash and cash equivalents	E	43,051	(3,509)	39,542	38,949	(379)	38,570
(iv) Bank balances other than (iii) above	E	9,771	(9,465)	306	985	(686)	299
(iv) Loans	E	63,088	(258)	62,830	42,089	(193)	41,896
(c) Current tax assets	E	8,481	(486)	7,995	7,572	(401)	7,171
(d) Other current assets	E	40,419	(25,373)	15,046	61,104	(28,376)	32,728
Total current assets		6,56,571	(2,26,984)	4,29,587	5,62,947	(1,59,660)	4,03,287
Total Assets		13,08,860	(4,65,412)	8,43,448	13,54,530	(4,80,756)	8,73,774
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		62,000	-	62,000	62,000	-	62,000
(b) Other Equity	iv)	2,42,104	(1,75,413)	66,691	3,68,160	(2,46,185)	1,21,975
Equity attributable to owners of the Company		3,04,104	(1,75,413)	1,28,691	4,30,160	(2,46,185)	1,83,975
Non-Controlling interests	iv), E	78,213	(61,714)	16,499	1,22,344	(83,707)	38,637
Total equity	iv)	3,82,317	(2,37,127)	1,45,190	5,52,504	(3,29,892)	2,22,612
Liabilities							
Non-current liabilities							
(a) Provisions	E	2,06,325	(5,118)	2,01,207	1,89,558	(5,168)	1,84,390
Total Non-current liabilities		2,06,325	(5,118)	2,01,207	1,89,558	(5,168)	1,84,390
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	E	3,02,578	(1,10,517)	1,92,061	2,05,513	(58,037)	1,47,476
(ii) Trade payables	E, F	3,55,400	(1,01,290)	2,54,110	3,46,374	(73,364)	2,73,010
(b) Other current liabilities	E	56,581	(5,842)	50,739	52,111	(12,152)	39,959
(c) Provisions	E, G	5,659	(5,518)	141	8,470	(2,143)	6,327
Total Current liabilities		7,20,218	(2,23,167)	4,97,051	6,12,468	(1,45,695)	4,66,772
Total Equity and Liabilities		13,08,860	(4,65,412)	8,43,448	13,54,530	(4,80,756)	8,73,774

Reconciliation of total comprehensive income

(Rs. in Thousands)

Particulars	Note	For the year ended 31st March 2017
Profit as per Previous GAAP		(39,428)
Add/(Less):		
a) Elimination of SSPSE - Treated as JV under Ind AS	E	(6,257)
b) Adjustment for Lease Equalization	G	(1,049)
c) Fair value of Lease rental deposit	D	821
d) Amotization of Lease Rental Deposit	D	(957)
e) Expected credit loss	F	(1,164)
f) Share of profit of equity accounted investee	E	2,469
g) Tax adjustments on the above, as applicable	C	1,664
Total comprehensive income as per Ind AS		(43,901)

(iv) Reconciliation of Equity as at 1st April 2016 and 31st March 2017

(Rs. in Thousands)

Particulars	Note	As at 31st March 2017	As at 1st April 2016
Equity as per Previous GAAP		3,82,318	5,52,504
Deferred tax	C	8,324	6,660
Fair value measurement of investment in Subsidiaries	J	(2,61,424)	(2,61,424)
Loss allowance of trade receivables as per expected credit loss model	F	(1,806)	(642)
Elimination of Subsidiary SSPSE Limited - treated as JV under Ind AS	E	(41,910)	(54,323)
Impact of Fair Valuation of Interest in Joint Venture	J	(17,655)	(20,124)
Effect of Foreign currency translation difference	B	35,847	-
Fair value measurement of Lease rental deposit	D	958	139
Amortization of Lease rental deposit	D	(1,135)	(178)
Adjustment for Lease Equalization	G	(1,050)	-
Reversal of revaluation reverse to Retained earnings under Ind AS	A	42,723	-
Total Impact		(2,37,128)	(3,29,892)
Total Equity as per Ind AS		1,45,190	2,22,612

(v) Adjustments to Statement of Cash Flows

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows.

(vi) Notes to reconciliations

A. Plant, Property & Equipment

As per Ind AS 101, the Group has elected to continue with the carrying value for all of its property, plant and equipments and Intangible assets as recognised in the financial statement as at 31.03.2016, measured as per the previous GAAP. Further paragraph11 of Ind AS 101 provides that, the accounting policies that an entity uses in its opening Ind AS Balance Sheet may differ from those that it used for the same date using its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind ASs. Therefore, an entity shall recognise those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to Ind ASs. Accordingly, the balance outstanding in the revaluation reserve has been transferred to retained earnings in accordance with the requirements of paragraph 79(b), Ind AS 1 - ITFG bulletin 8.

B. Goodwill

a) As per para C4 of Ind AS 101, the Group has decided to test the Goodwill for impairment that is carrying in accordance with the previous GAAP at the date of transition to Ind AS. The resulting impaiment loss has been recognized in the retained earnings.

b) As per the requirement of para 104 of Ind AS 36, the impairment loss has been reduced from the carrying value of the goodwill.

c) As per the requirement of para 47 of Ind AS 21, the Goodwill arising on the acquisition of a foreign operation has been translated at the closing rate. The differences arising on such translation has been accounted as part of Foreign Currency Translation Reserve.

C. Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period.

Under Ind AS, accounting of deferred taxes is done using the Balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

D. Fair valuation of Lease Deposit

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

E. Accounting for Interest in SSPSEL

Accounting for interest in S&S Power Swichgear Equipment Limited ('SSPSEL') : In case of SSPSEL, the Company has a joint venture arrangement with two parties and the Company used to hold 51% stake in SSPSEL. As per the requirements of Indian GAAP, if an entity establishes joint controls over a subsidiary through contractual arrangement it will be consolidated as a subsidiary under Accounting Standard 21 – Consolidated Financial Statements. Accordingly, the Group had accounted for interest in SSPSEL as a subsidiary and disclosed 49% stake held by other parties as non-controlling interest. Under Ind AS, the Group has evaluated the terms of the joint venture agreement and based on the contractual terms classified interest in SSPSEL as joint venture and hence it has been accounted using the equity method of accounting. Accordingly, all the assets, liabilities, income and expenses included in the Indian GAAP financial statements have been adjusted and also the amount of long term investment in SSPSEL has been adjusted to incorporate effect of equity method.

F. Trade receivables

Under previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company.

Under Ind AS the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

Particulars	As at 31st March 2017	As at 1st April 2016
Carrying value of Allowance for bad and doubtful trade receivables using ECL model	82,886	81,722
Increase in the provision during the year ended	1,164	-

G. Straightlining of Lease rent

As required under Ind-AS 17, in respect of assets taken on operating lease, lease rentals are recognized as an expense in statement of Profit and Loss on straight line basis over the lease term.

H. Excise Duty

Under previous GAAP, revenue from sale of products was presented net of Excise Duty under revenue from operations.

Under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented seperately on the face of statement of profit and loss. The change does not affect the total equity as at 1st April, 2015 and 31st March, 2016, profit before tax or total profit for th year ended 31st March, 2016.

I. Remeasurement of defined benefit

Under previous GAAP, actuarial gains and losses were recognised in profit and loss.

Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / (asset) which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

Particulars	For the year ended 31st March 2017
Acturial gain / (loss)	(6,64,757)
Tax effect on above	2,05,410

J. Fair value of investments in Subsidiaries, Joint Venture

Under Indian GAAP, the company accounted for long term investments in Subsidiaries at cost less permanent diminution in the value of investments. Under Ind AS, by adopting the option given under para D14 and D15 of Ind AS 101 the company has adopted to fairvalue its investments in Subisidiaries and Joint Venture as on the transition date by obtaining an independent fair valuation report.

K. Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income.

Under Ind AS specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

L. Statement of Cash Flows

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows, except on account of changes due to para (a to j) above.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

5. Property, Plant and Equipment

(Rs. in Thousands)

Cost or deemed cost	Land and Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Electrical Installations & Equipment	Tooling and Fixtures	Computers	Total
Balance as at 1st April, 2016	1,03,072	6,594	456	418	-	-	1,544	1,12,084
Additions	5,148	9,460	1,905	88	-	-	458	17,059
Disposals / Adjustments	-	(4,889)	-	-	-	-	-	(4,889)
Balance as at 31st March, 2017	1,08,220	11,165	2,361	506	-	-	2,002	1,24,254
Additions*	69	9,573	3,415	609	391	444	1,949	16,450
Disposals*	(2,232)	-	(4)	-	-	-	(34)	(2,270)
Balance as at 31st March, 2018	1,06,057	20,738	5,772	1,115	391	444	3,917	1,38,434

Accumulated Depreciation	Land and Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Electrical Installations & Equipment	Tooling and Fixtures	Computers	Total
Balance as at 1st April, 2016	-	-	-	-	-	-	-	-
Depreciation expense	3,249	3,063	122	41	-	-	361	6,836
Eliminated on disposals of assets/other adjustment	11,938	(2,712)	-	-	-	-	-	9,226
Balance as at 31st March, 2017	15,187	351	122	41	-	-	361	16,062
Depreciation expense*	3,103	4,708	725	401	327	156	574	9,994
Eliminated on disposals of assets/other adjustment*	(10,141)	(942)	-	-	-	-	-	(11,083)
Balance as at 31st March, 2018	8,149	4,117	847	442	327	156	935	14,973

Carrying amount/Net block	Land and Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Electrical Installations & Equipment	Tooling and Fixtures	Computers	Total
Balance as at 1st April, 2016	1,03,072	6,594	456	418	-	-	1,544	1,12,084
Balance as at 31st March, 2017	93,033	10,814	2,239	465	-	-	1,641	1,08,192
Balance as at 31st March, 2018	97,908	16,621	4,925	673	64	288	2,982	1,23,461

*includes the effect of acquisition of balance 49% interest in S&S Power Switchgear Equipment Limited with effect from 01.01.2018

Footnotes:

(i) The Company has adopted carrying value as recognised in the financial statement as at 31st March, 2016, measured as per Previous GAAP as its deemed cost. Accordingly,its Net Block as on 31st March, 2016 is its Gross Block under Ind AS. Break up of the said Gross block as at 1st April, 2016 is as under:

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

(Rs. in Thousands)

Particulars	Gross Block	Accumulated Depreciation / Amortisation	Net Block
	As at 1st April, 2016		
Land and Buildings	1,32,243	29,171	1,03,072
Plant and Equipment	35,267	28,673	6,594
Furniture and Fixtures	1,009	553	456
Office Equipment	661	243	418
Electrical Installations & Equipment	540	540	-
Computers	4,992	3,448	1,544
	1,74,712	62,628	1,12,084

6. Intangible assets

(Rs. in Thousands)

Cost or deemed cost	Product Validation	Softwares	Total
Balance as at 1st April, 2016	-	16	16
Additions	-	-	-
Disposals / Adjustments	-	-	-
Balance as at 31st March, 2017	-	16	16
Additions	5,302	-	5,302
Disposals	-	-	-
Balance as at 31st March, 2018	5,302	16	5,318

Accumulated amortisation	Product Validation	Softwares	Total
Balance as at 1st April, 2016	-	-	-
Depreciation expense	-	5	5
Eliminated on disposals of assets	-	-	-
Balance as at 31st March, 2017	-	5	5
Depreciation expense	1,162	6	1,168
Eliminated on disposals of assets	-	-	-
Balance as at 31st March, 2018	1,162	11	1,173

Carrying amount	Product Validation	Softwares	Total
Balance as at 1st April, 2016	-	16	16
Balance as at 31st March, 2017	-	11	11
Balance as at 31st March, 2018	4,140	5	4,145

Footnotes:

(i) The Company has adopted carrying value as recognised in the financial statement as at 31st March, 2016, measured as per Previous GAAP as its deemed cost. Accordingly, its Net Block as on 31st March, 2016 is its Gross Block under Ind AS. Break up of the said Gross block as at 1st April, 2016 is as under:

(Rs. in Thousands)

Particulars	Gross Block	Accumulated Amortisation	Net Block
	As at 1st April, 2016		
Softwares	26	10	16
	26	10	16

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

10.01 Deffered tax asset/(liabilities) in relation to

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening balance			
On account of accounting interest income from ASL UK on cash basis	(4,862)	(4,613)	(4,613)
Allowance for doubtful trade receivables (Expected credit loss allowance)	558	198	-
Liabilities allowable on payment basis	7,561	6,462	-
Remeasurement of Defined benefit plans (OCI)	205	-	-
Total	3,462	2,047	(4,613)
Recognised in Profit or loss			
On account of accounting interest income from ASL UK on cash basis	(3,374)	(249)	-
Allowance for doubtful trade receivables (Expected credit loss allowance)	(3)	359	198
Liabilities allowable on payment basis	(1,924)	1,099	6,462
Remeasurement of Defined benefit plans (OCI)	-	-	-
Total	(5,301)	1,209	6,660
Recognised in Other comprehensive income			
Remeasurement of Defined benefit plans (OCI)	(285)	205	-
Total	(285)	205	-
Closing balance			
On account of accounting interest income from ASL UK on cash basis	(8,236)	(4,862)	(4,613)
Allowance for doubtful trade receivables (Expected credit loss allowance)	555	558	198
Liabilities allowable on payment basis	5,637	7,561	6,462
Remeasurement of Defined benefit plans (OCI)	(80)	205	-
Total	(2,124)	3,462	2,047

11. Other Non-Current Assets

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Prepaid expenses	930	1,737	2,695
Total	930	1,737	2,695

12. Inventories (at lower of cost and net realisable value)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Raw materials and components	1,20,836	77,608	93,083
Work in progress	8,655	5,746	3,446
Total	1,29,491	83,354	96,529

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

13. Current investments

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Investment measured at fair value through profit and loss (FVTPL)			
Quoted mutual funds			
Deutsche Floating Rate Fund (DFRF)	260	260	213
DWS Floating Rate Fund-Dividend	24	24	56
DWS Ultrashort Term Fund -Institutional Fund	6	6	5
Total	290	290	274
Aggregate amount of quoted investments	290	290	274
Aggregate amount of unquoted investments	-	-	-

14. Trade Receivables

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured, considered good	3,27,320	2,20,224	1,85,820
Unsecured, considered doubtful	84,916	82,886	81,722
Allowance for bad and doubtful debts using ECL model	(84,916)	(82,886)	(81,722)
Total	3,27,320	2,20,224	1,85,820

Footnotes:

i. The average credit period for collection is 90 days.

ii. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

iii. Movement in the expected credit loss allowance

(Rs. in Thousands)

Particulars	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	82,886	81,722
Add: provision made during the year	2,030	1,164
Balance at the end of the year	84,916	82,886

15. Cash & cash equivalents and other bank balances

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with banks			
i) in current accounts	36,940	38,990	38,447
ii) Cash on hand	143	552	123
Total	37,083	39,542	38,570

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

16. Other bank balances

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Bank balances other than above:			
(i) In other deposit accounts & earmarked accounts	18,739	306	299
(original maturity more than 3 months and less than 12 months)			
Total	18,739	306	299

17. Current financial assets - loans

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(Unsecured, considered good, unless stated otherwise)			
Loan to Related Parties including interest accured thereon	-	60,481	39,582
Loan to Others	2,868	2,161	2,120
Loan to Employees	592	188	194
Total	3,460	62,830	41,896

18. Current Tax Assets

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance income tax (net of provisions)	6,949	7,995	7,171
Total	6,949	7,995	7,171

19. Other Current Assets

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance to suppliers	14,456	6,726	9,773
Less: Provision for doubtful advances	(600)	-	-
- Advance to employees	233	623	1,066
- Advance to related parties	201	162	7,050
Balance with statutory authorities	26,272	6,682	9,582
Export Incentives Receivable	5,553	-	-
Other receivables	1,165	853	5,257
Total	47,280	15,046	32,728

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

20. Equity share capital

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorised:			
10,000,000 (31.03.2017: 10,000,000, 01.04.2016: 10,000,000) Equity Shares of Rs. 10 each	1,00,000	1,00,000	1,00,000
1,000,000 (31.03.2017: 1,000,000, 01.04.2016: 1,000,000) Preference Shares of Rs. 100 each	1,00,000	1,00,000	1,00,000
Total	2,00,000	2,00,000	2,00,000
Issued:			
6,200,108 (31.03.2017: 6,200,108 and 01.04.2016: 6,200,108) Equity Shares of Rs 10 each	62,001	62,001	62,001
Subscribed and Paid up:			
6,200,000 (31.03.2017: 6,200,000 and 01.04.2016: 6,200,000) Equity Shares of Rs 10 each	62,000	62,000	62,000
Total	62,000	62,000	62,000

Notes:

20.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

Authorised share capital	No. of Shares	(Rs. in Thousands)
Balance as at 1st April, 2016	10,00,00,000	10,00,000
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2017	10,00,00,000	10,00,000
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2018	10,00,00,000	10,00,000

Issued, Subscribed and Paid up share capital	No. of Shares	(Rs. in Thousands)
Balance as at 1st April, 2016	62,000,000	6,20,000
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2017	62,000,000	6,20,000
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2018	62,000,000	6,20,000

20.2 Terms / rights attached to Equity Shares

The Group has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

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

During the 5 years immediately preceding the balance sheet date, there were no equity shares allotted as fully paid up pursuant to contract without payment being received in cash, no bonus shares were issued and there was no buy-back of equity shares of the Company.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

20.3 Details of shares held by each shareholder holding more than 5% shares in the Company:

(Rs. in Thousands)

Equity share of Rs.10 each fully paid up with voting rights	Number of fully paid equity shares	% Holding
Hamilton and Company Limited		
As at 1st April, 2016	18,84,113	30.39%
As at 31st March, 2017	22,30,030	35.97%
As at 31st March, 2018	22,30,030	35.97%
Morvi Industries Limited		
As at 1st April 2016	3,20,917	5.18%
As at 31st March, 2017	-	-
As at 31st March, 2018	-	-

21. Other Equity

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
General reserve	47,812	47,812	47,812
Securities Premium	1,84,000	1,84,000	1,84,000
Retained earnings	(1,82,070)	(2,07,673)	(1,75,718)
Foreign currency translation reserve	53,728	42,552	65,881
Total	1,03,470	66,691	1,21,975

21.1 General Reserve

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Balance at beginning of year	47,812	47,812
Add/(Less): Movement during the year	-	-
Balance as at end of year	47,812	47,812

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

21.2 Securities Premium

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Balance at beginning of year	1,84,000	1,84,000
Add/(Less): Movement during the year	-	-
Balance as at end of year	1,84,000	1,84,000

Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

21.3 Foreign currency translation reserve

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Balance at beginning of year	42,552	65,881
Add/(Less): Transfer from Retained Earnings / Movement during the year	11,176	(23,329)
Balance as at end of year	53,728	42,552

Foreign currency translation reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

21.4 Retained earnings

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Balance at beginning of year	(2,07,673)	(1,75,718)
Add: Profit for the year	30,066	(2,531)
Remeasurement of the Net Defined benefit liability / asset, net of tax effect	4850	(34,086)
Fair Value adjustment on account of business combination	(7,354)	-
Other movement in the reserves	(1,959)	4,662
Balance as at end of year	(1,82,070)	(2,07,673)

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

22. Provisions - Non current

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for employee benefits	2,13,336	1,83,960	1,67,143
Provision for Customs Duty on Malaysian Exports	17,247	17,247	17,247
Total	2,30,583	2,01,207	1,84,390

22.01 Provision for Customs Duty on Malaysian Exports

(Rs. in Thousands)

Particulars	(Rs. in Thousands
Balance at April 01, 2016	17,247
Additional provisions recognized during 2016-17	-
Reductions resulting from payments/ others	-
Balance at March 31, 2017	17,247
Additional provisions recognized during 2017-18	-
Reductions resulting from payments/ others	-
Balance at March 31, 2018	17,247

23. Deferred tax Liabilities(Net)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Asset	(6,112)	-	-
Deferred tax Liabilities (Refer Note 10.01)	8,236	-	-
Total	2,124	-	-

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

24. Borrowings

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Bills discounted with bank	27,830	-	-
Dues to Related Parties	2,68,233	1,92,061	1,47,476
Total	2,96,063	1,92,061	1,47,476

25. Trade payables

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Dues to Micro and Small enterprises	-	-	-
Dues to Others	2,52,952	2,54,110	2,73,010
Total	2,52,952	2,54,110	2,73,010

Footnotes:

A) The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-	-
	(interest Rs. Nil)	(interest Rs. Nil)	(interest Rs. Nil)
ii. The amount of interest paid by the buyer under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
iii. The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-	-
iv. The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-
v. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

B) The average credit period on purchases of goods is 60 days.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

26. Provisions

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for compensated absences	1,781	85	171
Provision for bonus and ex-gratia	385	56	8
Provision for tax	-	-	6,148
Total	2,166	141	6,327

27. Other current liabilities

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Employee dues	3,717	3,515	3,598
Statutory Dues	24,493	33,516	23,332
Revenue received in advance	88	89	1,805
Other Liabilities	9,785	4,914	4,774
Book overdraft	5,357	1,205	-
Lease Equalization reserve	1,050	1,050	-
Rental Deposits	150	6,450	6,450
Total	44,640	50,739	39,959

28. Revenue From Operations

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Sale of Products (Including excise duty of Rs 6,147 for the year ended 31st March, 2018; for the year ended 31st March, 2017: Rs 25,638)	10,26,985	8,95,160
Other Operating Revenue		
Income from Engineering Services	3,937	2,405
Export Incentive	3,214	-
Revenue from operations	10,34,136	8,97,565

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

29. Other Income

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
a) Sale of Services		
Corporate Shared Services	5,400	9,600
b) Interest Income		
Interest income earned on financial assets that are not designated as at FVTPL		
- Bank deposits	304	17
- Inter corporate deposits	10,520	1,394
c) Dividend Income		
Dividend income from Current Investments	-	15
d) Other non-operating Income (Net of expenses directly attributable to such income)		
Interest income on Fair valuation of Lease deposits	979	821
Rental income	4,935	6,453
Sundry credit balances written back	-	513
e) Other gains and losses		
Net gains/(loss) on disposal of property, plant and equipment	(19)	881
Net gains/(loss) on foreign currency transactions and translation	16,255	(3,668)
Total	38,374	16,026

30. Cost of Raw material and packing material consumed

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening Stock of Raw and packing material	77,608	93,083
Addition due to acquistion of SSPSE	6,944	
Add : Purchases	693,253	540,982
Less : Closing Stock of Raw and packing material	(1,20,836)	(77,608)
Total	6,56,969	5,56,457

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

31. Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Inventories at the beginning of the year		
Work-in-progress	5,746	3,446
Addition due to acquistion of SSPSE	6,965	-
(a)	12,711	3,446
Inventories at the end of the year		
Work-in-progress	8,655	5,746
(b)	8,655	5,746
Net (increase) / decrease [(a)-(b)]	4,056	(2,300)

32. Employee Benefit Expense

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, wages and bonus (including managerial remuneration)	2,14,949	1,91,672
Contribution to provident and other funds	7,368	6,417
Contribution to gratuity fund	11,437	12,459
Staff welfare expenses	3,652	3,313
Total	2,37,406	2,13,861

33. Finance Cost

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest Expenses on		
Borrowings	23,798	20,511
Bill discounting interest	3,480	3,846
Other (includes fees charged by banks for renewal of sanctioned limits, lead bank charges, etc)	187	-
Total	27,465	24,357

34. Depreciation and amortisation expense

(Rs. in Thousands)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation and amortisation expense	6,352	6,836
Total	6,352	6,836

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

35. Other Expenses

(Rs. in Thousands)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Consumption of Stores and spare	1,316	-
Power, fuel and water	4,770	4,476
Freight and forwarding	(848)	1,171
Postage and Telegram	452	244
Rent	7,622	9,075
Rates and taxes	5,061	4,990
Penal interest (late payment of statutory liabilities, trade payables, etc)	-	-
Insurance	3,974	3,494
Repairs and maintenance - Buildings	2,117	3,220
Repairs and maintenance - Machinery	3,053	524
Repairs and maintenance - Others	3,954	2,973
Legal and professional charges	15,844	17,115
Sitting fees and commission to Non Executive Directors	5,983	5,967
Printing & Stationery Expenses	2,850	2,894
Commission	(200)	10
Sales promotion expenses	3,308	379
Cash Discount	2,648	959
Payments to auditors (Refer Note below)	905	285
Travelling and conveyance expense	12,995	9,778
Listing Fees	737	594
Communication expenses	2,554	1,762
Donations	3	-
Manpower charges	9,133	7,185
Research and development costs	2,202	-
Bank Charges	1,088	3,433
Bad Debts written off/Expected credit loss	1,603	1,819
Miscellaneous expenses	2,778	7,042
Total	95,902	89,389

Footnote:

Payment to auditors comprise (net of indirect taxes, where applicable)	Year ended 31st March 2018	Year ended 31st March 2017
For audit	700	180
For tax audit and other matters	150	80
Reimbursement of Expenses	55	25
Total	905	285

* Includes Rs. 18 paid to the previous Statutory Auditor

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

36. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Company

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit attributable to equity holders of the Company for basic and diluted earnings per share	41,024	3,003

ii. Weighted average number of ordinary shares

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Number of issued equity shares at 1st April	62,00,000	62,00,000
Nominal Value per share	10	10
Weighted average number of shares at 31st March, for basic and diluted earnings per shares	62,00,000	62,00,000
Basic earnings per share (in Rs)	6.62	0.48

37. Employee benefits

(Rs. in Thousands)

Acrastyle Limited (United Kingdom) operates employee benefits arrangements In United Kingdom, as per applicable laws.

(A) Defined contribution plans

The Group makes contributions towards provident fund, super annuation fund and Employee Pension Scheme to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

The Group recognised Rs. 2,918 (31st March, 2017: Rs. 2,642) for provident fund and super annuation fund Contributions in the Consolidated Statement of Profit and Loss.

(B) Defined benefit plan

The Group Companies operating in India makes annual contributions to Employees' Gratuity Fund which is administered by the Life Insurance Corporation of India. Having regard to the assets of the gratuity fund and the return on the investment the company does not expect any deficiency as at the year end. The scheme provides for payment to vested employees as under:

i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2018.

(Rs. in Thousands)

a) Changes in present value of obligations (PVO)	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
PVO at the beginning of the year	3,545	2,381	2,088
Adjustment to opening present value obligations*	4,661	-	-
Interest cost	647	181	162
Current service cost	1,403	750	651
Benefits paid	(1,165)	(432)	(482)
Actuarial (Gains)/Losses	(885)	665	(38)
PVO at the end of the year	8,206	3,545	2,381

b) Fair value of plan assets	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fair value of plan assets at the beginning of the year	934	1,250	1,592
Adjustment to opening fair value of plan assets*	244	-	-
Return on plan assets	86	71	63
Other (charges) / income	(47)	(5)	-
Contributions by the employer	600	50	77
Benefits paid	(1,165)	(432)	(482)
Fair value of plan assets at the end of the year	652	934	1,250

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

(Rs. in Thousands)

c) Amount to be recognised in the balance sheet	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
PVO at the end of period	8,206	3,545	2,381
Fair value of planned assets at end of year	652	934	1,250
Funded status	(7,554)	(2,611)	(1,131)
Net asset/(liability) recognised in the balance sheet	(7,554)	(2,611)	(1,131)

d) Expense recognised in the statement of profit or loss:	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current service cost	1,403	750	651
Net interest	692	187	162
Return on plan assets	(86)	(71)	(63)
Adjustment to opening fair value of plan assets	-	-	-
Expense recognised in the statement of profit or loss	2,009	866	750

e) Other comprehensive income (OCI)	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Actuarial (Gain)/Loss recognised for the period	(885)	665	(38)
Total actuarial (Gain)/Loss recognised in OCI	(885)	665	(38)

f) Actual return on the plan assets	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Return on plan assets	10	1	-

g) Asset information	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total amount	652	934	1250
Gratuity fund	100%	100%	100%

*With effect from 01.01.2018 proportion of ownership held in Joint Venture (S&S Power Switchgear Equipment Limited) increased to 100% pursuant to the acquisition of balance shareholding from COELME SPA. Corresponding consolidation adjustments have been made.

h) Assumption as at	Gratuity - Funded as on		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest/Discount rate*	7.81%	7.28%	7.50%
Rate of increase in compensation*	7.00%	8.00%	8.00%
Employee attrition rate*	9.33%	12.50%	6.50%

*represents weighted average rate.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

i) Expected Payout

Year	Rs. in Thousands
Expected Outgo FY 2018-19	469
Expected Outgo FY 2019-20	476
Expected Outgo FY 2020-21	516
Expected Outgo FY 2021-22	1,016
Expected Outgo FY 2022-23	699
Expected Outgo FY 2023-24 to FY 2027-28	3,630

j) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Rs. in Thousands)

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
PVO	7,537	8,971	8,979	7,519

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Comapany's financial statements as at balance sheet date:

(Rs. in Thousands)

	Note	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total employee benefit liabilities				
Provision for employee benefits	22 & 26	(7,554)	(2,611)	(1,131)

k) Provision for other employee terminal benefits

The group operates employee benefits arrangements in United Kingdom, as per respective regulatory framework and applicable laws. The terminal benefits are paid to the employees on termination or completion of their term of employment.

Balance sheet amounts recognised:

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	1,80,461	1,64,365	1,78,654
Provided during the year	(686)	52,151	(14,289)
Benefits paid during the year	(14,897)	(16,036)	-
Exchange difference	36,524	(20,019)	-
Balance at the end of the year	2,01,402	1,80,461	1,64,365

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

38. Tax Expense

(a) Amounts recognised in profit and loss

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Current tax expense (A)		
Current year	-	-
Short/(Excess) provision of earlier years	-	(28)
	-	(28)
Deferred tax expense (B)		
Origination and reversal of temporary differences	(5,301)	1,209
Tax expense recognised in the income statement (A+B)	(5,301)	(1,181)

Note:

The Deferred tax asset arising out of unused tax loss and unused tax credits has not been recognized considering the fact that the company has continuiously suffered losses for the past 3 years.

(b) Amounts recognised in other comprehensive income

(Rs. in Thousands)

Particulars	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	7,189	(285)	6,904	(47,109)	205	(46,904)
Fair Value adjustment on business combination	(7,354)	-	(7,354)	-	-	-
	(165)	(285)	(450)	(47,109)	205	(46,904)

(c) Reconciliation of effective tax rate

(Rs. in Thousands)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	%	(Rs. in Lakhs)	%	(Rs. in Lakhs)
Profit before tax		41,024		3,003
Tax using the Company's domestic tax rate	26.00%	(10,666)	30.90%	(928)
Tax effect of:				
Deferred Tax Asset not recognized in view of continued accumulated losses	(13.08%)	5,365	(70.30%)	2,109
	12.92%	(5,301)	(39.40%)	1,181

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

39. Financial instruments – Fair values and risk management

A. Capital Management

The Group has a policy to maintain a strong capital base so as to ensure that the it is able to continue as going concern to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends to ordinary shareholders.

Its guiding principles

(i) Maintenance of financial strength to ensure the highest ratings;

(ii) Ensure financial flexibility and diversify sources at financing;

(iii) Manage Company exposure in forex and commodities to mitigate risks to earnings;

(iv) Leverage optimally in order to maximum shareholders returns while maintaining strength and flexibility of the balance sheet.

The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and market conditions.

The gearing ratio at the end of the reporting period are as under:

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total borrowings	2,96,063	1,92,061	1,47,476
Less : Cash and cash equivalent	(37,083)	(39,542)	(38,570)
Adjusted net debt	2,58,980	1,52,519	1,08,906
Total equity	2,00,339	1,45,190	2,22,612
Adjusted net debt to adjusted equity ratio	1.29	1.05	0.49

B. Valuation

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

(i) The fair value of investment in quoted Equity shares, Bonds, Government Securities and Mutual funds is measured at quoted price or NAV.

(ii) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.

(iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

(iv) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

C. Fair value measurement hierarchy:

(Rs. in Thousands)

Particulars		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Fair value hierarchy	Carrying amount	Carrying amount	Carrying amount
Financial assets				
At FVTPL				
Investments in Quoted Mutual Funds	Level 1	290	290	274
At FVTOCI		Nil	Nil	Nil
At Amortised cost				
Trade receivables		3,27,320	2,20,224	1,85,820
Cash and cash equivalents		37,083	39,542	38,570
Bank balances other than above		18,739	306	299
Other financial assets		3,460	62,830	41,896
Financial liabilities				
At Amortised cost				
Borrowings		2,96,063	1,92,061	1,47,476
Trade payables		2,52,952	2,54,110	2,73,010

The financial instruments are categorised into three levels based on the inputs used to arrive at fairvalue measurements as described below:

(i) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

(ii) Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.

(iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. The Group owns unlisted equity shares in Companies which provide facilities for treating effluents generated during its manufacturing process. In the absence of any observable market data in relation to the said Companies, the same have been categorised as Level 3. Considering the objective of investment and materiality, its fair value have been determined based on its book value as at the reporting date.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

40. Financial risk management

Risk management framework

The Board of Directors of the Group have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

A. Credit risk;

B. Liquidity risk;

C. Market risk; and

D. Interest rate risk

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investment in debt securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

(Rs. in Thousands)

Ageing of Trade receivables	As at 31st March 2018	As at 31 March 2017	As at 1 April 2016
Not due	84,318	1,13,255	1,16,809
0-3 months	182,315	82,324	42,123
3-6 months	6,054	5,464	7,749
6 months to 12 months	17,566	9,032	7,830
Beyond 12 months	1,21,983	93,035	93,031
Less : Expected credit loss allowance	(84,916)	(82,886)	(81,722)
Total	3,27,320	2,20,224	1,85,820

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

(Rs. in Thousands)

Movement in provisions of doubtful debts	As at 31st March 2018	As at 31st March 2017
Opening provision	82,886	81,722
Add: Additional provision made	2,030	1,164
Closing provision	84,916	82,886

Loans

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concern employee).

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

Cash and cash equivalents

The Group held cash and cash equivalents of Rs. 37,083 at 31st March, 2018 (31st March, 2017: Rs. 39542 , 1st April, 2016 : Rs. 38,570). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

(Rs. in Thousands)

Cost or deemed cost	31st March 2018			31st March 2017			1st April 2016		
	Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year
Non-derivative financial liabilities									
Current borrowings	2,96,063	2,96,063	-	1,92,061	1,92,061	-	1,47,476	1,47,476	-
Trade and other payables	2,52,952	2,52,952	-	2,54,110	2,54,110	-	2,73,010	2,73,010	-
	5,49,015	5,49,015	-	4,46,171	4,46,171	-	4,20,486	4,20,486	-

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Rs. in Thousands)

Cost or deemed cost	31st March 2018			31st March 2017			1st April 2016		
	Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year
Non-derivative financial assets									
Investments	-	-	-	-	-	-	-	-	-
Trade receivables	3,27,320	3,27,320	-	2,20,224	2,20,224	-	1,85,820	1,85,820	-
Cash and cash equivalents	37,083	37,083	-	39,542	39,542	-	38,570	38,570	-
Bank balances other than above	18,739	18,739	-	306	306		299	299	-
Loans and advances	3,460	3,460		62,830	62,830		41,896	41,896	-
	3,86,602	3,86,602	-	3,22,902	3,22,902	-	2,66,585	2,66,585	-

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

C. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Rs. / USD in Thousands)

Particulars	USD			INR		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2018
1. Financial Assets:						
a. Trade receivables	1,149	5	5	74,715	294	294
2. Financial Liabilities:						
a. Trade Payables	(5)			(333)		
3. Net exposure (assets - liabilities)	1,144	5	5	74,382	294	294

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency : USD

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss and total equity

(Rs. in Thousands)

Particulars	USD impact		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Increase in exchange rate by 5%	3,719	14	14
Decrease in exchange rate by 5%	(3,719)	(14)	(14)

D. Interest rate risk

There is no material interest risk relating to the Company's financial liabilities.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

41. Related party disclosures

(Rs. in Thousands)

Particulars		Ownership Interest		
		31st March 2018	31st March 2017	1st April 2016
1. Relationships				
a) Jointly controlled entity:				
S&S Power Switchgear Equipment Limited	India	-	51%*	51%*
b) Key Managerial Personnel (KMP)				
Mr. Ashish Sushil Jalan	Chairman			
Mr. Anupam Arunkumar Vaid	Non-Executive Director			
Mr. Deepak Jugal Kishore Chowdhary	Independent Director			
Mr. Nandakumar Sundarram	Independent Director			
Mr. Ajaykumar Dhagat	Independent Director			
Ms. Gayathri Sundaram	Independent Director			
Mr. Ashok Kumar Vishwakarma	Managing Director			
Mr. A Mahesh (From 3rd April, 2017)	Chief Financial Officer			
Mr. Sundaramurthi K (upto 30th March, 2017)	Chief Financial Officer			
Mr. C Abhilash (From 7th December 2017)	Company Secretary			
Mr. Sadavisam D (Upto 22nd September, 2017)	Company Secretary			
c) Relatives of KMP:				
Mrs. Rekha Jalan	Mother of Mr. Ashish Sushil Jalan			
d) Enterprise over which KMP or relative has significant influence:				
Bombay Gas Holdings and Investments Private Limited	Private company in which the Subsidiary's directors is member			
Hamilton Research and Technology Private Limited	Private company in which the Subsidiary's directors is member			
Bombay Gas Company Limited	Private company in which the Subsidiary's directors is member			

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

(Rs. in Thousands)

Particulars		Ownership Interest		
		31st March 2018	31st March 2017	1st April 2016
RPIL Signalling Systems Limited	Private company in which the Subsidiary's directors is member			
Rukmani Metals and Gaseous Ltd	Private company in which the Subsidiary's directors is member			
Indo Tech Transformers Limited	Private company in which the Subsidiary's directors is member			
Amara Raja Power Systems Limited	Private company in which the Subsidiary's directors is member			
Hamilton & Company Limited	Public company in which director holds > 2%			

*During FY 2017-18 proportion of ownership held in S&S Power Switchgear Equipment Limited increased to 100% pursuant to the acquisition of balance shareholding from COELME SPA.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business

(Rs. in Thousands)

Nature of transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
Sales:				
Goods, Materials and Services	-	-	-	-
	(15,780)	(-)	(-)	(-)
Reimbursement of expenses	-	711	-	-
	(-)	(841)	(-)	(-)
Purchases/Other services		-	-	-
	(5)	(-)	(-)	(-)
Remuneration	-	7,523	-	-
	(-)	(6,502)	(-)	(-)
Directors sitting fees	-	320	-	-
	(-)	(215)	(-)	(-)
Loans and Advances given	-	-	-	-
	(20,700)	(-)	(-)	(-)
Loans and Advances received	-	-	-	46,000
	(-)	(-)	(-)	(-)
Interest income		-	-	-
	(240)	(-)	(-)	(-)
Interest expenses	-	-	-	17,716
	-	-	-	(12,806)

Previous years figures are in ( )

3. Balances outstandings

(Rs. in Thousands)

Nature of outstanding balances	As at 31st March 2018	As at 31st March 201 7
Trade and Other receivables:		
Jointly controlled entity		86,847
Trade and other payables:		
KMP	1,295	878
Entity over which KMP has significant influence	2,68,233	1,92,061

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

42. Capital Commitments

(Rs. in Thousands)

Particulars	31st March 2018	31st March 2017	1st April2016
Estimated amount of contracts remaining to be executed on capital account and not provided for against which advance paid	Nil	Nil	Nil

43. Contingent liabilities and pending proceedings

I. Contingent liabilities

(Rs. in Thousands)

Particulars	31st March 2018	31st March 2017	1st April2016
1. Claims against Company not acknowledged as debt a) Excise duty demands principally in respect of classification of sales of isolators and its parts, disputed in appeal and pending decision before higher authorities. Based on the high court order, the company has made a predeposit of Rs. 50,000 and the matter is pending before CESTAT. The Company is hopeful of favourable outcome fromCESTAT	39,190	39,190	39,190
2. Other contingent liabilities a) For the non-redemption of the advance licences, consequent interest and penalty in the event of the appeals of the company made by way of writ petitions being decided against the company / the application made with the Grievance redressal committee being turned down. Further the company has represented before the Ministry of Commerce for redressal of greivance through appropriate directions to Director General of Foreign Trade. The Grievance redressal committee appreciating the genuine hardships faced by the company directed us to approach DGFT for clsoure. We have been following with DGFT for resolution and do not forsee any additional liability on account of penalties and interest. The Company has already fully provided for 100% of the customs duty benefit availed on the advance license.	Amount unascertained in respect of interest and penalty	Amount unascertained in respect of interest and penalty	Amount unascertained in respect of interest and penalty
b) For Asst. year 2007-08, Department has filed an appeal against the CIT(A)'s order directing the deletion of addition made representing waiver of principal portion of loans from banks and financial institutions and the consequential tax demand is Rs. 9,298/- The said appeal is pending as at the reporting date.	9,298	9,298	9,298

Note :

The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any material adverse effect on its financial conditions, results of operations or cash flows. Further, claims by parties in respect of which the Management have been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefit is highly remote.

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

44. Segment information

a) Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The Group executes its businesses through its subsidiaries in India and UK. The group does not have different operating segments. However the group has different geographical segments -Viz - India & United Kingdom. The details of the segments are provided below.

b) Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable segment.

(Rs. in Thousands)

Particulars	Segment revenue		Segment profit	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
India	2,83,069	1,96,801	12,364	(27,980)
United Kingdom	7,82,114	7,08,755	33,961	29,802
Less: Inter segment revenue	(31,047)	(7,991)		
Total	10,34,136	8,97,565	46,325	1,822
Profit before tax			46,325	1,822
Taxes			(5,301)	1,181
Profit for the year			41,024	3,00 3

Notes:

i) Segment revenue consist of sales of products including excise duty.

ii) Segment revenue reported above represents revenue generated from external customers as well as inter-segment sales. The Inter-segment sales in the current year Rs. 31,047 (2016-17: Rs.7,991). The accounting policies of the reportable segments are the same as described in note 3.19.

iii) Segment profit represents the profit before tax earned by each segment after allocation of finance cost, other expenses, as well as other income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

c) Segment assets and liabilities

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31 st March 2017	As at 1 st April 2016
Segment assets			
India	4,29,566	2,64,925	2,31,952
United Kingdom	5,99,301	5,78,523	6,41,822
Total segment assets	10,28,867	8,43,448	8,73,774
Unallocated	-	-	-
Consolidated Total assets	10,28,867	8,43,448	8,73,774

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31 st March 2017	As at 1 st April 2016
Segment liabilities			
India	3,95,775	2,29,865	1,57,452
United Kingdom	4,32,753	4,68,393	4,93,710
Total segment liabilities	8,28,528	6,98,258	6,51,162
Unallocated	-	-	-
Consolidated Total liabilities	8,28,528	6,98,258	6,51,162

d) Other segment information

(Rs. in Thousands)

Particulars	Depreciation and amortisation		Finance Cost	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
India	2,594	2,677	21,209	17,385
United Kingdom	3,758	4,159	6,256	6,972
Total	6,352	6,836	27,465	24,357

45. Details of the Company's joint venture at the end of the reporting period is as follows:

(Rs. in Thousands)

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company As at 31st March 2017	As at 1st April 2016
S&S Power Swithchgear Equipment Limited	Design and Manufacturing of Disconnecting switch	Pondicherry, India	51%	51%

*During FY 2017-18 proportion of ownership held in S&S Power Switchgear Equipment Limited increased to 100% pursuant to the acquisition of balance shareholding from COELME SPA. Hence the disclosures are given for the period 31st March, 2017 and 1st April, 2016.

The above joint venture is accounted for using the equity method in the consolidated financial statements for the period upto 31-12-2017.

Summarised financial information in respect of the Company's joint venture is set out below. The summarised financial information below represents amounts shown in the joint ventures financial statements prepared in accordance with Ind AS adjusted by the Company for equity accounting purposes.

(Rs. in Thousands)

Particulars	As at 31st March 2017	As at 1st April 2016
Current assets	2,40,090	1,59,076
Current liabilities	2,24,217	1,45,695
The above amounts of assets and liabilities include the following		
Cash and cash equivalents	3,509	379

Notes to the Consolidated Financial statements for the year ended March 31, 2018 Contd...

(Rs. in Thousands)

Particulars	As at 31st March, 2017
Revenue	3,24,464
Profit / (loss) from continuing operations	4,841
Profit / (loss) for the year	4,841

Reconciliation of above summarised financial information to the carrying amount of interest in joint venture recognised in the consolidated financial statements:

(Rs. in Thousands)

Particulars	As at 31st March 2017	As at 1st April 2016
Fair Value of investments in joint venture	61,091	56,250
Proportion of Company's ownership interest in joint venture	51%	51%
Carrying amount of the Company's interest in joint venture	31,156	28,688

(Rs. in Thousands)

Particulars	As at 31st March, 2017
Post acquistion profit/(loss):	4,841
Proportion of Company's ownership interest in joint venture	51%
Carrying amount of the Company's interest in joint venture	2,469

46. Additional information related to the subsidiaries considered in the preparation of consolidated financial statements

(Rs. in Thousands)

Name of the entity in the group	As at 31st March 2018		For the year ended 31st March 2018		As at 31st March 2018		For the year ended 31st March 2018	
	Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
S&S Power Switchgear Limited	96%	1,91,839	-25%	(10,410)	1,471%	(6,625)	-42%	(17,035)
Subsidiaries:								
Indian:								
Acrastyle EPS Technologies Limited	0%	(32)	-1%	(382)			-1%	(382)
Acrastyle Power India Limited	11%	21,803	10%	4,044	-20%	89	10%	4,132
S&S Power Switchgear Equipment Limited	16%	32,566	34%	14,060	11%	(50)	35%	14,010
Foreign:								
Acrastyle Switchgear Limited, United Kingdom	11%	22,078	-8%	(3,370)	0%	-	-8%	(3,370)
Acrastyle Limited, United Kingdom	-51%	(1,02,785)	64%	26,124	-906%	4,082	74%	30,206
Non Controlling Interest	17%	34,869	27%	10,958	-456%	2,054	32%	13,012
Total	100%	2,00,339	100%	41,024	100%	(450)	100%	40,574

* Net Assets = Total Assets - Total liabilities

ATTENDANCE SLIP

40TH ANNUAL GENERAL MEETING ON SEPTEMBER 19, 2018 AT 11:00 AM

(PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE VENUE OF MEETING)

DP ID & CLIENT ID / FOLIO NUMBER	
NUMBER OF SHARES HELD	
NAME AND ADDRESS OF THE REGISTERED MEMBERS	

I certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the FORTIETH ANNUAL GENERAL MEETING of the Company scheduled on WEDNESDAY, SEPTEMBER 19, 2018 at 11:00 A.M. at Registered Office of the Company situated at PLOT NO 14, CMDA INDUSTRIAL AREA PART-II, CHITHAMANUR VILLAGE, MARAIMALAI NAGAR – 603 209, KANCHEEPURAM DISTRICT, TAMILNADU, India.

Full name of the Proxy, if attending the meeting: _____

Signature of the Member / Joint Member / Proxy attending the Meeting:_____

Note:

1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
3) A Proxy need not be a member of the Company.
4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

Notes: