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

TABLE OF CONTENTS

MESSAGE FROM CHAIRMAN

Dear Fellow Shareholders,

I am pleased to present the 40th Annual report of your company.

On the face of it, it has been a good year and our business has grown in terms of sales & profits both in India and in the UK.

The detail numbers of each businesses are in the ensuing pages.

When you analyse the consolidated numbers, you will see that in keeping with the new Indian Accounting Standards, we have not considered any revenue of SSPSE (as it was JV and not a subsidiary) and only considered 51% of profits. For the sake of clarity, if we take that into account the consolidated sales would have been Rs.1,270 million as against last year's Rs. 1,217 million and the profits would have been Rs. 49 million against last year Rs. 2 million.

This year was challenging for us as we, along-with our customers, suppliers, & service providers, had to get used to the new GST rules & processes, aligned. We had to deal with our funds being stuck with the government particularly on GST refunds for exports. However, we believe that GST is a very good reform which will ultimately benefit the consumer, industry and the government.

We have adjusted to new revenue recognition norms, to a new audit regime and the impact of IND-AS on items like Estimated Credit Loss. I am proud to say today that our company is well aligned to the most rigorous accounting standards. As a company, we have in last few years been focusing on developing closer relationships with our key Contracting Companies & Quality OEMs, where our business is predictable & profitable and working capital manageable.

An important development this financial year has been the buying back of the shares of SSPSE from our erstwhile JV partners M/s Coelme SA. This will give us the flexibility to sell our products everywhere in the world. We have already started reaping the benefits of this by getting orders from Botswana and enquiries from many new territories.

As the company, we are also preparing for the future in terms of digital transformation and using IT as a business enabler. We are investing heavily on IT infrastructure, implementing SAP system and enhancing on social media presence.

Unfortunately, I must say that the first quarter of 2018-19 would be challenging, in as much as difficulties in getting customers on board to lift the equipment that they have ordered. This will impact our sales in the first quarter but we expect to make it up in the second quarter.

Acrastyle had a very good year last year, however it is facing challenges this year in getting orders from UK utilities who are undergoing a regulatory period review and therefore slowed down for order placements. To take care of these cycles with the DNO's, we are diversifying our customers base & developing new product & service offerings both for the UK & for exports. We had a big breakthrough in the UK in terms of implementing digital technology for substations with the 61850 protocol where we had been associated with leading companies & utilities. This we believe is a very great opportunity for us.

With all the changes that I have mentioned above, I must appreciate the effort that our teams in India & UK are making to face these new challenges, to first un-learn and then tore-learn some of the best practices. We have been guided in this process by our Directors, who have given a lot of their time and wisdom to our company. We are thankful to our Auditors and ofcourse we are thankful to you, dear Shareholders, for your patience & support.

Ashish Sushil Jalan
Chairman

MESSAGE FROM MANAGING DIRECTOR INDIAN OPERATIONS

Greetings!!!

As we completed another exciting year of transformation in our company, we are pleased to share the story of this year.

In the year 2017-18, we have gone through major transformation at S&S Power in our product portfolio, technology, marketing strategies, and systems & processes. With respect to product portfolio, we have extended our range in Disconnector product line and presently our offerings range from 12 kV – 550 kV, 400 A – 4000 A, STC up to 63 kA. We have also restructured our Sales & Marketing function by separating Proposal, Sales, & Contracts departments, by clustering markets into SAARC, ASEAN, Middle East & Africa, & Others and allocating Regional Sales Manager for each of these regions, we have brought our sales team close to customers and increased commercial intensity. Our strategy includes special focus on Bangladesh market and Vietnam market in view of our past performance.

By exiting the JV with Coelme in this year, S&S got wide access to global markets. This year saw S&S exploring newer markets by approaching customers in other regions. In this regard, S&S collaborated with a Canadian company for the development of Intelligent Drive Box and integrating it with our Disconnectors and identifying opportunities in ANSI market through Canadian Partner. In the Control & Relay panel business, we got a huge breakthrough by securing an order from the Gulf region. Restructuring of Value Chain and upgradation of talent built a more agile organization for current and future performance.

Year under review saw our revenue grow by about 10% over the previous year and we accomplished very healthy order in hand situation at the end of the year. Consolidated profit in the year under review was significantly increased over previous year.

Our Key Account Management for Africa Market has got stabilized and we are getting good traction in Africa. In the next year, S&S will be localizing front end sales by expanding the agent network in strategic regions such as Vietnam, Bangladesh, Myanmar, Middle East, Africa, and Sri Lanka.

Global Value Chain has opportunity to leverage the best of both the teams in India and UK and make a competitive offerings for Middle East, North Africa, Myanmar and Bangladesh. We are going to focus in the new year on this lever strongly.

Approval of new 145 KV Global Range of DS from ENA UK and extension of range to vertical break and 12 KV gives us opportunity to develop global market for distribution class disconnectors from 12 KV to 145 KV.

I congratulate the S&S Power Team for implementation of Integrated Management System compliant with ISO9001, ISO 14001 & OHSAS 18001, which was certified by TÜV.

Two other major initiatives launched in the year was SAP B1 for having transactional excellence and increasing capacity of execution and to align our execution with new Accounting Standards. Several programs and indicatives in the year have consumed resources in the year under review but have paved the way for significant progress in future. Bringing predictability in our business while the environment is volatile and uncertain is biggest challenge we are preparing to overcome.

Ashok Kumar Vishwakarma
Managing Director - India

MESSAGE FROM BUSINESS LEADER UK OPERATIONS

Domestic Market in UK for CRP was dull and demands were down leading to drop in Order Booking. Previous years order helped us in reaching close to the budgeted level of sale. However opening order for new year were lower and trends of order booking were discouraging.

Owning to this situation we set out a new strategy to develop international market and add products and sectors in UK. This led to creation of Business Development team to lower our base cost and process to execute the program.

Within the UK now we are focusing on OEM such as GE, Renewables and Microgrid areas. Developing expanded basket of complete distribution class disconnector and looking at markets in Middle East, North Africa , Myanmar and Bangladesh markets in particular.

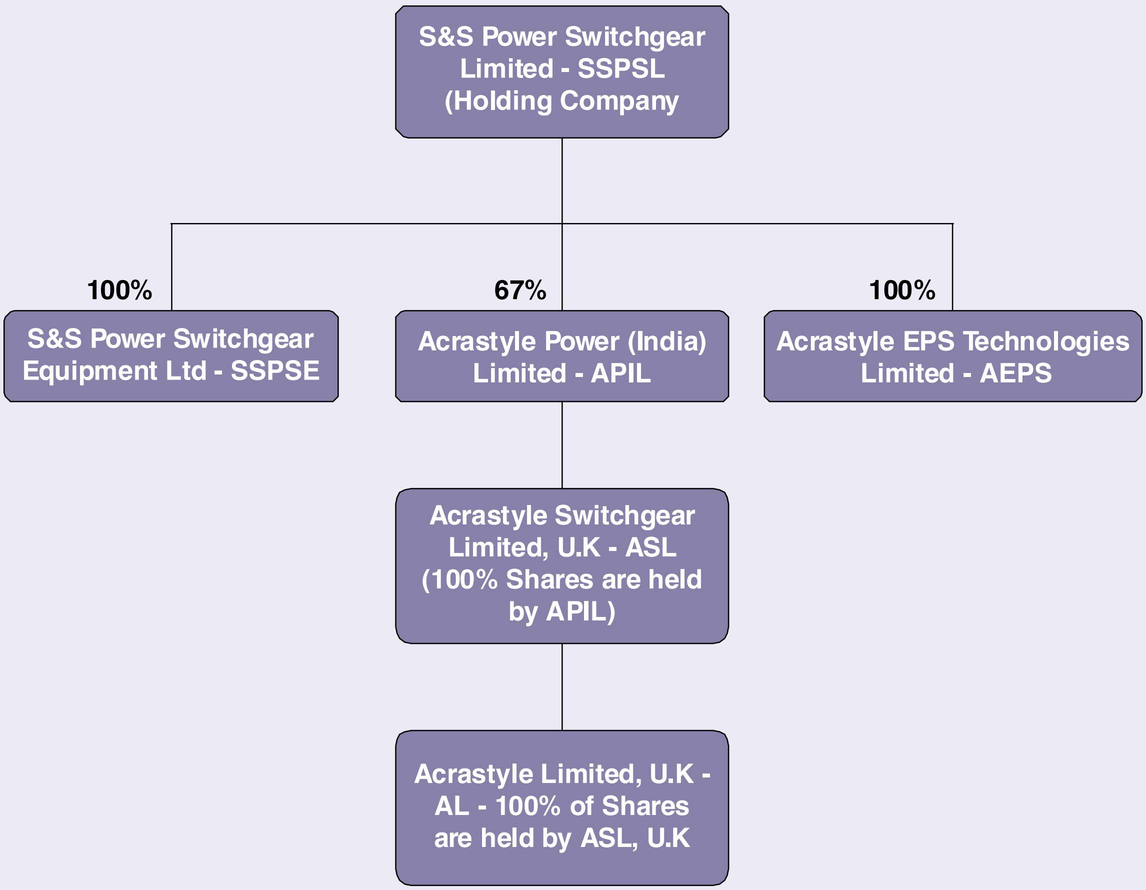
Creation of a Global Value Chain for Disconnectors and Control and Relay Panel using India and UK both facility gives us, new market access, expanded range of offerings and competitiveness.

We continue to be challenged by the pension deficit that we are faced with. The actuarial valuation shows a shift in reduction in our deficit in this year. Unfortunately even though the assets in the scheme have done well, with gilt yields being at all-time lows the discounted value of our future liability has increased. We do hope this situation reverses in the near future as it is putting an artificially high cost to both our profit and loss account and to our balance sheet.

We are making all effort to make the organization lean to counter the pressure in reduction in volume in 2018-19.

Peter John Woolrich
Managing Director - UK

S&S POWER GROUPS AND ITS BUSINESS SEGMENT



ANNUAL REVIEW

STANDALONE HOLDING COMPANY (S&S PSL) PERFORMANCE – AN OVERVIEW

TURNOVER OF S&S PSL

FINANCIAL YEAR	TURNOVER (INR IN MILLIONS)
2013 - 14	0.06
2014 - 15	5.56
2015 - 16	16.68
2016 - 17	4.13
2017 - 18	7.04

FINANCIAL YEAR	PBDIT (INR IN MILLIONS)
2013 - 14	6.19
2014 - 15	8.39
2015 - 16	5.42
2016 - 17	(3.30)
2017 - 18	0.94

Significant resources of the holding company are applied for the management of subsidiary and joint venture companies.

The spares, service, and retrofit business development in Andhra, Telangana, and Kerala, where our Circuit Breaker installed base is high, led to some inroads in order acquisition.

A new project of providing retrofit solution to Madras Atomic Power Station (MAPS) HHV PRIME was launched.

CONSOLIDATED RESULTS OF OPERATIONS – AN OVERVIEW

CONSOLIDATED TURNOVER

FINANCIAL YEAR	TURNOVER (INR IN MILLIONS)
2013 - 14	890.25
2014 - 15	897.93
2015 - 16	1142.76
2016 - 17	897.57
2017 - 18	1034.14

At the consolidated level, company grew sales by 10% over previous year mainly in Disconnector business and UK operations. Exiting the JV from Coelme opened access to additional International markets. Both the sites in India got certified to IMS compliant to ISO 9001, ISO 14001, and OHSAS 18001. Individual business operations review is covered in sections below.

FINANCIAL YEAR	PBDIT (INR IN MILLIONS)
2013 - 14	32.32
2014 - 15	6.26
2015 - 16	73.93
2016 - 17	33.01
2017 - 18	80.14

UK business operations and Disconnector business contributed growth in profit.

S&S POWER SWITCHGEAR EQUIPMENT LIMITED (S&S PSE) (DISCONNECTOR BUSINESS)

TURNOVER OF S&S PSE

FINANCIAL YEAR	TURNOVER (INR IN MILLIONS)
2013 - 14	202.46
2014 - 15	190.50
2015 - 16	213.65
2016 - 17	313.38
2017 - 18	342.54

FINANCIAL YEAR	PBDIT (INR IN MILLIONS)
2013 - 14	10.23
2014 - 15	(1.80)
2015 - 16	9.80
2016 - 17	8.32
2017 - 18	35.03

While turnover has grown by only 10%, the profitability increased to 3 times due to value engineering in distribution class disconnectors, increased export, and better leverage of the base cost. Bangladesh market for distribution class disconnector was significant part of execution. We executed several projects in Africa for Malawi, Kenya, Senegal, and other utilities.

We are aggressively developing International sales footprint, channel partners, alliances, and our product portfolio to develop global disconnector business. Now, we offer products from 12 kV to 550 kV, 400 A – 4000 A, 25 kA – 63 kA. Company has been successful in securing a major order (75 MINR) for Botswana Power Corporation.

During the year 2017-18, SSPSL - parent company acquired 49% of shares of SSPSE from the JV Partner, Colme, Italy. SSPSE is now a 100% subsidiary of SSPSL.

ACRASTYLE POWER INDIA LIMITED (APIL)

TURNOVER OF APIL

FINANCIAL YEAR	TURNOVER (INR IN MILLIONS)
2013 - 14	78.32
2014 - 15	92.39
2015 - 16	148.03
2016 - 17	164.18
2017 - 18	175.52

FINANCIAL YEAR	PBDIT (INR IN MILLIONS)
2013 - 14	6.70
2014 - 15	8.98
2015 - 16	18.07
2016 - 17	3.03
2017 - 18	18.97

APIL business followed the growth of disconnector in its supply of Drive Box. Improved capacity utilization, better cost control, and stabilized business with GE prepared a solid foundation for future performance. The new GIS panel order from GE opened a new line of activity which will deliver growth in 2018-19. Qualification audits by Mitsubishi, Fuji, Toshiba were positive. We launched a new program to qualify wired control panel cabinet for customers in Middle East to grow non-framed business.

ACRASTYLE LIMITED

Core P&C Business – ACRASTYLE LIMITED, UK

TURNOVER OF AL, UK

FINANCIAL YEAR	TURNOVER (INR IN MILLIONS)
2013 - 14	626.22
2014 - 15	610.89
2015 - 16	801.46
2016 - 17	708.75
2017 - 18	782.11

FINANCIAL YEAR	PBDIT (INR IN MILLIONS)
2013 - 14	18.85
2014 - 15	(1.16)
2015 - 16	52.67
2016 - 17	45.99
2017 - 18	49.01

Order intake in 2016-17 was excellent and we started the new year with very good open order. Though we had pressure on margin, we have been able to grow sale by 10% and profit by 10%. We continue to transform our business model into agile and lean organization to stay competitive and profitable in a mature UK market. The regulatory review process of the utilities has slowed down in 2017-18 and likely to continue in 2018-19. Company is looking at re-developing export market to meet the 2018-19 forecast.

The supply of FITNESS project, E-house was a significant contribution by AL in the digital substation development program in UK. CLASS project of network improvement by one of the utility in UK gave Acrastyle to leverage low cost Engineering services delivery to end client using back office engineering in Chennai. A new Business Development team was created to develop offerings based on global supply chain involving India and UK capabilities and offering a competitive solution in Middle East, North Africa, and other target countries. ENA approval of new disconnector design improves our competitiveness further in UK market.

With the slowing down demand in the UK market, we are finding new opportunities in Asia, ME, PGCB/GE and North Africa to provide systems and solutions from our global supply chain and recover the reduction of demand in the UK market.

CORPORATE INFORMATION

BOARD OF DIRECTOR'S & KEY MANAGERIAL PERSONNEL

Mr ASHISH SUSHIL JALAN	CHAIRMAN
Mr AJAY KUMAR DHAGAT	INDEPENDENT DIRECTOR
Mr DEEPAK JUGAL KISHORE CHOWDHARY	INDEPENDENT DIRECTOR
Mrs GAYATHRI SUNDARAM	INDEPENDENT DIRECTOR
Mr NANDAKUMAR SUNDARRAMAN	INDEPENDENT DIRECTOR
Mr PETER JOHN WOOLRICH	DIRECTOR
Mr ASHOK KUMAR VISHWAKARMA	MANAGING DIRECTOR

Mr C ABHILASH	COMPANY SECRETARY
Mr A MAHESH	CHIEF FINANCIAL OFFICER

REGISTERED OFFICE & WORKS
Plot No 14, CMDA Industrial Area Part – II,
Chithamanur Village,
Maraimalai Nagar – 603209.
Kancheepuram District. Tamilnadu
Tel : 044 – 4743 1625, 4743 1626
Website : www.sspower.com
E-mail : investor@sspower.com

CORPORATE IDENTITY NUMBER
L31200TN1975PLC006966

BANKERS
Kotak Mahindra Bank Ltd, Adyar, Chennai
ICICI Bank Limited, Alwarpet, Chennai
CITI BANK N.A, Anna Salai, Chennai

STATUTORY AUDITORS
M/s C N K & Associates LLP,
Chartered Accountants, Mumbai

SECRETARIAL AUDITORS
M/s BP & Associates,
Company Secretaries, Chennai.

INTERNAL AUDITORS
M/s Durv & Associates LLP,
Chartered Accountants, Chennai

REGISTRAR & SHARE TRANSFER AGENT
M/s. GNSA INFOTECH LIMITED,
STA Department, Nelson Chambers,
4th Floor, F-Block, No:115,
Nelson Manickam Road, Aminjikarai,
Chennai – 600029. Tamilnadu
Tel : 044 – 4296 2025
Email : sta@gnsaindia.com

ANNUAL GENERAL MEETING

Date	:	**SEPTEMBER 19, 2018**
DAY	:	**WEDNESDAY**
TIME	:	**11:00 A.M**
VENUE	:	**REGISTERED OFFICE, MARAIMALAI NAGAR**

(Member's are requested to bring their copy of the Annual report to the Annual General Meeting. Members are also requested to direct all correspondence relating to shares to the Company's Registrar & Share Transfer Agents, GNSA Infotech Limited, at the address above)

BOARD PROFILE

S&S POWER SWITCHGEAR LIMITED - BOARD OF DIRECTORS

1. Mr. ASHISH SUSHIL JALAN - CHAIRMAN

Mr. Ashish Jalan is a Commerce Graduate. He has to his credit over 25 years of Managerial and Administrative experience in various Industries and exposure in International business.

2. Mr. AJAY KUMAR DHAGAT - INDEPENDENT DIRECTOR

Mr. Ajay Dhagat is an Electrical Engineer from University of Jabalpur, India. He has deep domain expertise in Transmission & Distribution Industry, General Management, Business Leadership and Market for over 40 years. He has held higher position like AREVA T&D India country President and MD and IEEMA President. He also has an international experience of handling Asia Pacific regions of Alstom T&D and was located in France.

3. Mr. DEEPAK JUGAL KISHORE CHOWDHARY - INDEPENDENT DIRECTOR

Mr. Deepak Chowdhary is the Founder Owner of MPM Private Limited, Nagpur, India's pioneering manufacturer and Technical Application experts of Lustrous Carbon additives for use in Green sand molding. Mr. Chowdhary is a B.Com (Honors) graduate from Sydenham College of Commerce and Economics, Mumbai University. He has been an invitee on several Management Institutes and likes to interact with Students on Entrepreneurship.

4. Mrs. GAYATHRI SUNDARAM - INDEPENDENT DIRECTOR

Mrs. Gayathri is a Chartered Accountant and Cost Accountant. She combines a very bright academic record with best corporate exposure of over 20 years with specialization in Corporate accounting, Risk Management & Treasury. Currently, a freelance Chartered Accountant, associated with M/s Profaids Consulting, handling internal and management audits up to Audit Committee presentations, for a variety of Corporates Pan-India, including listed companies.

5. Mr. NANDAKUMAR SUNDARRAMAN - INDEPENDENT DIRECTOR

Mr. Nandakumar is a Company Secretary & practicing Chartered Accountant. He has a wide knowledge & expertise in Corporate Matters, Financial accounting, Taxation & Statutory Audit. He is the Chairman of Audit Committee & Board Sub-committees.

6. Mr. PETER JOHN WOOLRICH - NON-EXECUTIVE DIRECTOR

Mr. Peter Woolrich is an Executive Chairman of Acrastyle Limited, U.K. He has more than 35 years of professional experience in Protection and Control Systems with ALSTOM, GEC Alstom, English Electric in Sales & Marketing. Peter is an Electrical Engineer.

7. Mr. ASHOK KUMAR VISHWAKARMA - MANAGING DIRECTOR

Mr. Ashok Vishwakarma is an Engineering Graduate from NIT, Allahabad, India. He has been leading S&S Power Business from last 3 years. He has over 26 years of professional experience in Indian Switchgear Industry, in Sales & Marketing, Technical Development, Sourcing, Manufacturing Operations & P&L Management. He was earlier employed with GE, Areva T&D, Alstom, GEC Alstom & GEC.

S&S POWER - EXECUTIVE LEADERSHIP TEAM

The Company has been restructured to handle different legal entities as a strategic business unit. Four SBUs are now led by four SBU leaders. The Executive Council in India and the UK is running the respective business operation on a day-to-day basis. The Strategic Business Management team is involved in validating long term strategy and plans in line with the directions, budgets, and principles agreed in the meetings of the Board of Directors. The Company is professionally managed by leaders having deep domain expertise and vast experience in the Industry. Under the current leadership, several transformational projects are being undertaken for the long term sustainable performance and growth of the Company.

STRATEGIC BUSINESS MANAGEMENT

Ashish Sushil Jalan
Chairman
Based in Mumbai India

MD India
Ashok Kumar Vishwakarma
Executive Council India Operation

MD UK
Peter John Woolrich
Executive Council UK Operation

Ashok Kumar Vishwakarma
Business Leadership
Technology, Strategy,
Business Development & HR

- A Mahesh
  Finance, IT Systems, Legal and Administration
- Mohammed Hafeez
  General Manager - Sales & Marketing - Disconnectors
- T Balakrishnan
  Pondicherry Plant Operations
- Shanmukhan Swamy
  Engg. & Business Development CRP & CB Proposal & Project Management
- S Rajesh
  MMF Operations & Central Sourcing and Supply Chain Leader

Peter John Woolrich
Chairman

- William Wilson
  Finance Director & Company Secretary
- Nigel Sproston
  Commercial Director
- Barry Simpson
  Operations Director
- Steve Smith
  Business Development Manager

NOTICE TO MEMBERS

NOTICE is hereby given that the FORTIETH (40th) Annual General Meeting of the Shareholders of S&S POWER SWITCHGEAR LIMITED will be held on WEDNESDAY, SEPTEMBER 19, 2018 at 11:00 AM at Registered Office of the Company to transact the following business:

ORDINARY BUSINESS

TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING ITEMS OF BUSINESS, AS ORDINARY RESOLUTIONS:

1. To receive, consider and adopt the audited financial statement (including the audited consolidated financial statement) for the year ended March 31, 2018 along with the notes as on that date and the reports of the Board of Directors and the Auditors thereon.

   RESOLVED THAT the audited financial statement including the consolidated financial statement for the year ended March 31, 2018 together with the Auditors Report thereon and the Report of the Board of Directors for the financial year ended on that date be and are hereby adopted.

2. To re-elect Mr. Peter John Woolrich (DIN: 07808275), who retires by rotation, as a Director of the Company.

   RESOLVED THAT Mr. Peter John Woolrich (DIN: 07808275) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

SPECIAL BUSINESS:

3. To increase the remuneration of Managing Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in supersession to earlier resolution passed by the shareholders in the previous Annual General Meeting held on August 29, 2017 and pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions, if any, of the Companies Act, 2013 & the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to other requisite approvals, if any, consent of the Members be and is hereby accorded to increase the remuneration to Mr. Ashok Kumar Vishwakarma, Managing Director (DIN: 05203223) on such terms and conditions, for a period commencing from April 1, 2018 as stated in explanatory statement.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the resolution hereof.

4. Borrowing Power to the Board of Directors

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in supersession of all early Special Resolutions passed by members of the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, consent of members of the Company be and is hereby accorded to Board of Directors (including any Committee which the

Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution) to borrow, from time to time, any amount, secured or unsecured, as it may deem requisite for the purpose of business of the Company, notwithstanding that the amount to be borrowed together with the amount already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) would exceed the aggregate of paid-up share capital and free reserves of the company, provided that the amount to be borrowed together with the amount already borrowed by the Company shall not at any time exceed Rupees 50 Crore (Rupees Fifty Crore Only).

RESOLVED FURTHER THAT Board of Directors (including any Committee which the Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution), be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.

5. **Powers of the Board as per section 180 (1) (a) of the Companies Act 2013**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of members of the Company be and is hereby accorded to the Board of Directors (including any Committee which the Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution) to mortgage, hypothecate, pledge and/ or charge, including and/ or in addition to mortgage, hypothecation, pledge and/or charge already created on all or any of the movable and/ or immovable properties of the Company (both present and future) and/or any other assets or properties, either tangible or intangible, of the Company and/ or the whole or part of any of the undertaking of the Company, for securing the borrowing availed or to be availed by the Company, by way of loans or otherwise, in foreign currency or in Indian currency, from time to time upto Rs. 50 Crores (Rupees Fifty Crore Only) (apart from temporary loans obtained from the Company's bankers in the ordinary course of business).

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee which the Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution) be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

   RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time, consent of the Company be and is hereby accorded to grant loan to the subsidiaries.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to ratify any loans given earlier and to finalize, sanction and disburse the loans to any director or subsidiary, and also to delegate all or any of the above powers to any one Director of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.

7. **Investment(s), Loans, Guarantees and security in excess of limits specified under section 186 of Companies Act, 2013**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs.50 crore (Rupees Fifty Crore Only), notwithstanding that such investment and acquisition together with the Company's existing investments in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution.

By Order of the Board,
For S&S POWER SWITCHGEAR LIMITED,

C. ABHILASH
Company Secretary
A36343

Dated: May 29, 2018
Place: Chennai

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the business mentioned at Item No. 3 as given below:

ITEM NO.3:

Mr. Ashok Kumar Vishwakarma (DIN: 05203223) Managing Director of the Company was re-appointed in the last AGM as his tenure of employment ends on November 10, 2017 and re-appointed for a period of two year from November 10, 2017 to November 10, 2019.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on May 29, 2018, increase his remuneration to 1,40,00,062/- per annum (One Crore Forty Lakh Sixty-Two Only) with effect from 1st April 2018. The other terms and conditions shall remain same, as had been executed at the time of his appointment as a Managing Director of the Company.

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Ashok Kumar Vishwakarma, Managing Director: —

Consolidated Salary, Perquisites and Performance Bonus, etc. Rs. 1,40,00,062/-

In addition to the above, he shall be entitled to receive the following:

(a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.

(b) Encashment of leave at the end of tenure.

(c) Provision of car for use on Company's business.

(d) Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.

(e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

Accordingly, the Board recommends the passing of the special resolution as set out in the item no.3 of the Notice.

Except Mr. Ashok Kumar Vishwakarma, Managing Director, none of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution except and to the extent they are member of the Company.

ITEM NO. 4 & 5:

Keeping in view, the existing borrowing and the additional fund requirements for meeting the capital expenditure for the ongoing/ future projects, capacity expansion, acquisitions and enhanced long term working capital needs of the Company, the Board of Directors had, in its meeting held on 29th May 2018, considered and approved subject to the approval of the shareholders, the borrowing limits of the company to Rs. 50 crores and creation of security on the properties of the Company and recommends Resolution no. 4 & 5 of the accompanying Notice to the shareholder for their approval by way of special resolution.

Pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act 2013, approval of the Shareholder by way of special resolution is required to authorize the Board of Director to borrow money up to the said limits and create security in respect thereof.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4 & 5.

ITEM NO.6:

In compliance with Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended from time to time, the details of the loan advanced to the subsidiary.

Name of the Subsidiary: Acrastyle Power (India) Limited

Year of advancement of Loan: 1997

Total Amount Outstanding: 4,09,74,272/-

Transaction During the Period: Nil

The loan is utilized by the borrowing company for its principal business activities.

None of the Director and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.6.

ITEM NO.7:

The Company had, from time to time, made Inter corporate investments in bodies corporate, Mutual Funds and Short Term Rated Papers or for giving loans, guarantees or providing securities to any body corporate or other person. In order to make investment(s) in excess of limits specified under section 186 of Companies Act, 2013. The board hereby recommends subject to the approval of the shareholders in General Meeting to make investment or advance loan upto an amount of Rs.50 Crores.

The Board recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members. None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT (AGENDA NO. 2) AS REQUIRED TO BE FURNISHED UNDER THE SECRETARIAL STANDARD ON GENERAL MEETINGS / REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Name	Mr. Peter John Woolrich
Age	70 years
DIN	07808275
Qualification	City & Guilds Full Technological Certificate in Industrial Electronics French (Electrical Engineer)
Experience	Mr. Peter Woolrich is an Executive Chairman of Acrastyle Limited, U.K. He has more than 35 years of professional experience in Protection and Control Systems with ALSTOM, GEC Alstom, English Electric in Sales & Marketing.
Current remuneration (last drawn remuneration)	NIL
Date of first appointment on the Board	August 29, 2017
Shareholding in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
Number of meetings of the Board attended during the year	2 (TWO)
Other Directorships, Memberships/ Chairmanship of Committees of other Boards	NIL
Nature of expertise in specific functional area	Sales and Marketing of Electrical Equipment

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER.

   A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total voting share capital of the Company. A member holding more than ten percent of the total voting share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Instrument appointing Proxy, in order to be effective should be duly completed, stamped and signed and must be deposited with the Company at least 48 hours before the time scheduled for the meeting. A Proxy form is annexed to this report. Proxies submitted on behalf of limited companies, societies, partnership firms etc., must be supported by appropriate resolution / authority letter/ power of attorney, as applicable, issued by the member/organization.

3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of Agenda No. 3,4,5,6 & 7 of the Notice relating to Special Business to be transacted at the Annual General Meeting is annexed thereto.

4. Information relating to the Directors retiring by rotation and seeking re-appointment at this Meeting, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Notice.

5. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 17, 2018 to Wednesday, September 19, 2018 (both days inclusive)

7. Members holding shares in physical form are requested to intimate any change of address to the Company Secretary of the Company immediately.

   In case of shares held in dematerialized form, this information should be passed on to their respective Depository Participants without any delay.

8) Members holding shares in physical form are requested to dematerialize the shares in electronic form to facilitate faster transfer and avoid rejections of bad deliveries.

9) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Share Transfer Agent/Company or with the Depository Participant(s). Members who have not registered their e-mail addresses so far are encouraged to participate in the green initiative by registering their e-mail address for receiving all communication including Annual Report, Notices, Circulars and other communications from the Company electronically. Members holding shares in dematerialized form are requested to register their e-mail address with their Depository Participant(s) only, while members holding shares in physical form are requested to register their e-mail id by sending a request either on sta@gnsaindia.com / investor@sspower.com

10) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s).

11) Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print & bring their Attendance Slip/s and submit a duly filled in Attendance Slip signed and completed at the Registration Counter at the AGM. The Members/ Proxies should fill the Attendance Slip for attending the Meeting. The Members who hold shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Folio No. in the Attendance Slip for attending the Meeting.

12) Members and Proxies attending the meeting are requested to bring their copy of annual report to the Annual General meeting.

13) Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for the financial year 2017-2018 will also be available on the Company's website www.sspower.com for their download. Even after registering for e-communication, members are also entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send requests to the email id: investor@sspower.com

14. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Standard 2 of the Secretarial Standards on General Meetings and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means through the remote e-voting services provided by National Securities Depository Limited (NSDL) on all resolutions set forth in the notice. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 14, 2018, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (Remote e-voting).

    The remote e-voting period shall commence at 10.00 A.M on Sunday, September 16, 2018 and will end at 5.00 P.M on Tuesday, September 18, 2018. In addition, Members attending the AGM who have not cast their vote by e-voting shall be eligible to vote at the AGM by means of Poll. The Company has appointed Mr. S. Bhaskar, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process as well as Poll on Annual General Meeting in a fair and transparent manner. The Members desiring to vote through e-voting are requested to refer to the detailed procedure (instructions for e-voting) given hereinafter.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar & Share Transfer Agents.

16. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.

17. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.

18. Route Map showing directions to reach to the venue of 40th Annual General Meeting is given at the last page of this Annual Report.

PROCEDURE FOR REMOTE E-VOTING

(A) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the Listing Agreement read with Regulation 44 of SEBI (LODR) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 40th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

(B) The voting rights shall be as per the number of equity shares held by the Member(s) as on Friday, September 14, 2018, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

(C) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

(D) The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

(E) The remote e-voting period commences on Sunday, September 16, 2018 at 10:00 A.M and ends on Tuesday, September 18, 2018 by 5:00 P.M. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 14, 2018, may cast their vote electronically by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(F) The process and manner for remote e-voting are as under:

a. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; “S&S Power remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on “Shareholder – Login”

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select “EVEN” of “S&S Power Switchgear Limited”.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

(x) Upon confirmation, the message “Vote cast successfully” will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to secretarial@bpcorpadvisors.com with a copy marked to evoting@nsdl.co.in

b. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

- EVEN (Remote e-voting event Number)
- USER ID :
- PASSWORD / PIN :

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

(G) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

(H) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

(I) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(J) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Friday, September 14, 2018.

(K) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, September 14, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or sta@gnsaindia.com.

(L) However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

(M) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

(N) Mr S Bhaskar, Company Secretary (Membership No. 8315), Partner of M/s. BP & Associates Company Secretaries, Chennai has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

(O) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

(P) The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(Q) The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company www.sspower.com immediately after the declaration of result by the Chairman or a person authorized by him in writing.

By Order of the Board,
For S&S POWER SWITCHGEAR LIMITED,

C. ABHILASH
Company Secretary
A36343

Date: May 29, 2018
Place: Chennai

DIRECTOR'S REPORT

Dear Shareholders,

Your Board of Directors ('Board') have pleasure in presenting their Fortieth **(40th) Annual Report** on the business and operations of S&S Power Switchgear Limited ('S&SPOWER') or 'the Company' together with the Audited Financial Statements for the year ended **March 31, 2018** ('the year under review').

In line with the requirements of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Regulations"), this report covers the Audited Financial results and other developments during the financial year from **April 1, 2017 to March 31, 2018** in respect of S&S POWER and S&S POWER Consolidated Performance comprising of S&S Power, its subsidiaries and its associates in India and overseas. The Consolidated entity has been referred to as **'S&S Group'** or **'the Group'** in this report.

1. FINANCIAL RESULTS - AN OVERVIEW

Your Company's financial performance for the year ended March 31, 2018 is summarized hereunder:

(Rs. in Lakhs)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Net Revenue from Operations	10,341.36	8,975.65	70.36	41.31
Earnings before Depreciation, Finance Costs, and Taxation	**801.42**	**330.15**	**9.41**	**(33.05)**
Finance Expenses	274.65	243.57	87.38	61.87
Depreciation and Amortization Expenses	63.52	68.36	14.76	14.51
Profit / (Loss) Before Tax and OCI	**463.25**	**18.22**	**(92.73)**	**(109.43)**
Other Comprehensive Income	(4.50)	(469.04)	7.29	(3.91)
Profit/Loss Before Tax	**458.75**	**(450.82)**	**(85.44)**	**(113.34)**
Tax Expense	53.01	11.82	(11.37)	7.17
Amount transferred to General Reserve	-	-	-	-
Profit / (Loss) after Tax	**405.74**	**(439.01)**	**(96.81)**	**(106.18)**

2. BUSINESS OVERVIEW - RESULTS OF OPERATIONS

Consolidated Performance

Your Company has registered consolidated revenue for the financial year ended March 31, 2018 at **Rs. 10,341 Lakhs** as against **Rs. 8,975 Lakhs** for the year ended March 31, 2017.

Financial numbers relating to year ended March 2017 are not comparable with year ended March 2018 as line by line consolidation has not been carried out for the year 2016-17 for one of its joint venture, viz S&S Power Switchgear Equipment Limited and also for nine months ended December 2017. However, subsequent to acquisition of the business by the parent Company, line by line consolidation has been carried out for the last quarter ended 31st March, 2018.

The year ended 31st March, 2018 does not take into account Revenue from operations relating to the said Joint Venture amounting to **Rs. 2,450 Lakhs** and year ended 31st March, 2017 does not take into Account revenue from operations amounting to **Rs. 3,240 Lakhs**.

The Total consolidated Earnings before depreciation, finance costs, and taxation for the financial year ended March 31, 2018 is **Rs. 801 Lakhs** as against **Rs. 330 Lakhs** for the year ended March 31, 2017.

Consolidated Profit for the year ended March 31, 2018 is **Rs. 405** Lakhs which does not include a Profit of **Rs. 78 Lakhs** relating to the above said Joint Venture as against Loss after Tax of **Rs. 439 Lakhs** for the year ended March 31, 2017, which does not include a profit of **Rs. 48 Lakhs** in respect of the above said Joint Venture.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in nature of business of the Company during the year under review.

4. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and/or commitments between the end of the year under review and the date of this report, which could have had an impact on the Company's operation in the future or its status as a going concern. There are no significant or material orders passed by the Regulators / Courts/ Tribunals, during the year under review.

5. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and analysis report which inter-alia covers the Company and its Group's financial and operational performance, Industry trends, Update on Macro Economic Indicators, Risks and Concerns, Internal control systems and their adequacy, Outlook and other material changes prepared in compliance of Regulation 34 of the SEBI Regulations forms part of the annual report, is annexed to this report.

6. SHARE CAPITAL

During the year under review, there was no change in the Share capital structure and the paid-up capital of the Company as on March 31, 2018 stood at **Rs. 620 Lakhs**. Further the Directors state that, no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a. Issue of Equity Shares with differential rights as to dividend, voting or otherwise;

b. Issue of Shares (including Sweat Equity Shares and ESOS) to employees of the Company under any scheme;

c. Provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

7. SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

a. A list of companies which are subsidiaries/associate to your Company is provided Form AOC-1 as **"Annexure A";**

b. Your Company continues to have 3 Subsidiaries in India and 2 overseas Subsidiaries, and S&S Power Switchgear Equipment Ltd has become a wholly owned subsidiary after the Company acquired the 49% shareholding of M/s Coelme Costruzioni Elettromeccanihe S.p.A. Apart from the above acquisition there was no changes in the subsidiaries during the year under review.

c. A Statement containing salient features of financial statements of subsidiaries pursuant to Section 129 of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this report in the prescribed Form AOC-1 as **"Annexure A"**

8. APPROPRIATIONS

(a) Reserves

Your Directors have not proposed to transfer any amount to reserves for the year under review.

(b) Dividend

Your Directors have not proposed any payment of dividend to the Shareholders for the year under review.

9. FINANCIAL STATEMENTS

The Standalone and Consolidated Financial Statements for the year ended 31st March, 2018 have been prepared under IND AS (Indian Accounting Standards) for the first time by the Company. To ensure comparative figures, the financial statements for the year ended 31st March, 2017 have been restated in accordance with IND AS.

Further the Board the meeting held on 29th May, 2018 approved the Audited Financial Statements for the year ended 31st March, 2018. For details, refer Notes to Accounts forming part of this Annual report. In accordance with Section 136 of the Act, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each subsidiary are also available on the Company's website: www.sspower.com

10. DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits from public and there were no outstanding deposits within the purview of the provisions of Section 73 and 74 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014.

11. BOARD OF DIRECTORS / KEY MANAGERIAL PERSONNEL:

- There was no change in the constitution of Board of directors of the Company during the year under review except for appointment of Mr. Peter John Woolrich as a Non-Executive Director on August 29, 2017.
- All Independent Directors have submitted declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act, and the SEBI Regulations.
- Based on the written disclosures provided by the Board of Directors, none of them are disqualified from being appointed as Directors under Section 164 of the Act.

- During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.
- The Board of Directors at their meeting held on June 5, 2017 appointment Mr. Peter John Woolrich as Additional Director of the Company and subsequently regularized in the Annual General Meeting held on August 29, 2017. He as been appointed as the Non-Executive and Non - Independent Director of the Company. The Board of Directors at their meeting held on December 7, 2017 appoint Mr. C. Abhilash as Company Secretary & Compliance Officer of the Company in place of Mr. D. Sadasivam who resigned from his Office on September 29, 2017. The Board of Directors took on record the resignation of Mr. D. Sadasivam and placed on record its appreciation of the valuable contribution made by him during his tenure.
- **RETIREMENT BY ROTATION**

- Pursuant to Article 26 of the Articles of Association of the Company and in accordance with the Act, Mr. Peter John Woolrich (DIN:07808275), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Board recommends his re-appointment as a Director for approval of members

  The details of Director being recommended for re-appointment as required under the Act and the SEBI Regulations are contained in the accompanying Notice convening the Annual General Meeting of the Company.

- **BOARD MEETINGS**

  During the year, 6 (Six) meetings of the Board of Directors were convened and held. The details of the meetings are furnished in the Corporate Governance Report. Furthermore, the intervening gap between the Meetings was within the period prescribed under Section 173(1) of the Act.

- **EVALUATION OF BOARD, COMMITTEES OF DIRECTORS**

  Pursuant to provisions of the Act and the SEBI Regulations, the Board has carried out an annual evaluation of its own performance, the Directors individually as well as the performance of Board committees and of the Independent Directors(without participation of the relevant Director).

  Further, Independent Directors at their meeting without the participation of the Non-Independent Directors and Management considered/ evaluated the Board's performance (as a whole), Performance of the Chairman and other Non-Independent Directors

  Independent Directors at a separate meeting, evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board

  The criteria for performance evaluation have been detailed in the Corporate Governance Report.

- **KEY MANAGERIAL PERSONNEL**

  The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder:

  - Mr. Ashok Kumar Vishwakarma, Managing Director ;
  - Mr. C. Abilash, Company Secretary & Compliance Officer;
  - Mr. A. Mahesh, Chief Financial Officer (CFO)

12. POLICIES

- **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

  The Company has set up Vigil Mechanism viz. Whistle Blower Policy to enable the employees and Directors to report genuine concerns, unethical behaviour and irregularities, if any, in the Company noticed by them which could adversely affect company's operations to the Chairman of the Audit Committee. The policy is available at the Company's website (www.sspower.com)

  No concerns or irregularities have been reported during the period. The Company hereby affirms that no Director/employee has been denied an access to the Chairman of the Audit Committee and that no complaints were received during the year.

- **RISK MANAGEMENT POLICY**

  The Company has already in place an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system of risk controls and mitigation is in place. Through risk management approach, the Company ensures that risk to the continued existence as a going concern and to its development are identified and addressed on a timely basis.

  At present, the company has not identified any element of risk which may threaten the existence of the company.

- **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS**

  The Board has, on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of Directors, Key Managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

- **POLICY ON SEXUAL HARASSMENT OF WOMEN**

  The Company has in place, policy on prevention, prohibition and Redressal of Sexual Harassment for women at the Workplace in accordance with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. It ensures prevention and deterrence of acts of sexual harassment and communicates procedures for their resolution and settlement. All women employees are covered under this policy. There were no cases/ complaints reported in this regard during the year under review.

13. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 134(5) of the Act, your directors, on the basis of information made available to them, confirm the following:

(a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the PROFIT of the Company for that period;

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

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

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

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

14. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 92(3) of the Act, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 is enclosed herewith and forms part of the report. (REFER ANNEXURE-C – EXTRACT OF ANNUAL RETURN)

15. AUDITORS

a) STATUTORY AUDITORS

The Company auditors M/s C N K & Associates LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No: 101961W/ W-100036)have been appointed for a period of 5 years from the 39th AGM. Pursuant to provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the appointment of C N K & Associates LLP as auditors of the Company for a period of 5 years.

There are no qualifications in this Report.

b) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 the Company has appointed M/s BP & Associates, a firm of Company Secretaries in practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor for the year 2017-18 is annexed to the Board's report as “Annexure E”.

16. CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the SEBI Regulations, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance, forms an Integral part of this report as Annexure C. Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors periodically.

Your Company is committed to observe good corporate governance practices in letter and spirit. Your Board of Directors have taken all necessary steps to ensure compliance with the Corporate Governance guidelines, as laid out in the SEBI Regulations 2015. All the Directors and Key Management Personnel of the Company have affirmed in writing their compliance with and adherence to the 'Code of Ethics for Board of Directors and Senior Executives' adopted by the Company.

The Annual report of the Company contains a certificate by the Managing Director in terms of the SEBI Regulations on the compliance declarations received from the Directors and the Senior Management Personnel.

The Statutory Auditors of the Company have examined the requirements of Corporate Governance with reference to SEBI Listing Regulations and have certified the compliance, as required under SEBI Listing Regulations. The Certificate in this regard is attached as Annexure F to this report.

Your Company had duly complied with the requirements regarding Corporate Governance as stipulated under Regulation 24 of the SEBI Regulations.

Further as required under Regulation 17(8) of the SEBI Regulations, a certificate from the Managing Director and Chief Financial Officer of the Company with regard to the financial statements and other matters is being annexed with this Report as Annexure G.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) CONSERVATION OF ENERGY

- The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- The Company is also making continuous efforts for utilizing alternate sources of energy.
- The Company has launched formal management system implementation on environment, health & safety. It will bring significant focus on sustainable development and energy conservation.

(B) TECHNOLOGY ABSORPTION& PRODUCT INNOVATION

- Company's products are manufactured by using in-house knowhow technology and no outside technology is being used for manufacturing activities.
- Company operates in a very competitive environment regular value engineering and adoption of new efficient material and manufacturing technology is a key to stay at the forefront of the cost competitiveness.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO: (SSPSL)

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

18. INTERNAL FINANCIAL CONTROLS

The Company has well defined and adequate internal financial control system over financial reporting, commensurate with its size, scale and complexity of its operations to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorised and recorded. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

Internal Financial controls helps the Board to monitor the state of controls in key business processes. The organisation is appropriately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment.

The Internal Auditors evaluates the effectiveness and adequacy of internal controls, compliance with operating systems, policies and procedures of the Company and recommends improvements, if any. Significant audit observations and the corrective/ preventive action taken or proposed to be taken by the process owners are presented to the Audit Committee. The Scope of Internal Audit is annually determined by the Audit Committee considering the inputs from the management and statutory auditors.

Capital expenditure of the Company as well as its Group are monitored and controlled with reference to approved budgets. The Audit Committee reviews the overall functioning of Internal Audit on a periodical basis.

The details in respect of internal financial control and their adequacy are included in the auditors' report which forms an integral part of this report.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the provisions of the Companies Act, 2013 and the rules frame there under with respect to the Corporate Social Responsibility (CSR), your Company is not governed by the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. So, the Company is not required to formulate a policy on CSR and also has not constituted a CSR Committee.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are loans given during the year, but no guarantees have been issued that are covered under Section 186 of the Act read with the Rules made thereunder. Details of loans made under the said section are covered in Notes to the financial statements.

21. RELATED PARTY TRANSACTIONS

Your Company has entered into various transactions with related parties as defined under Section 2(76) of the Act in the ordinary course of business. All the related party transactions entered during the year were on arm's length basis and in the ordinary course of business. All the related party transactions effected during the year are disclosed in the notes to the Financial Statements. Further, all related party transactions are placed before the Audit Committee for approval.

There were no materially significant related party transactions i.e. transactions exceeding ten percent of the annual turnover of the Company as per the last audited financial statements entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and thus disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not required.

Also, none of the Directors or the Key Managerial Personnel of the Company has any pecuniary relationships or transactions vis-a-vis the company.

22. INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

It is firmly believed that employees of the Company and its group are the most valuable assets and key players of business success and sustained growth. The Company constantly striving to enhance the level of employee engagement and to ensure healthy career growth for employees at all levels. A diverse pool of lateral talent has been hired to enhance the bench strength. This includes professional experts with excellent academic credentials and professional track record.

The Company continued to conduct various employee benefit, recreational and team building programs to enhance employee skills, motivation as also to foster team spirit. The Company has also conducted in-house training programs to develop leadership as well as technical/functional capabilities of its employees in order to meet future talent requirements. Industrial relations were cordial throughout the year. The Company has also identified a pool of best human resources who are being groomed for future leadership roles. Structured safety programmes were organised emphasizing safety of people during the year under review.

22.1 INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

a. The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details: Except Mr. Ashok Kumar Vishwakarma Managing Director, no director is in receipt of remuneration except sitting fees.

S.No.	Particulars	Designation	Ratio
1.	Mr. Ashok Kumar Vishwakarma	Managing Director	12.45 : 1

(For this purpose, sitting fees paid to the Directors have not been considered as Remuneration)

b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S.No.	Particulars	Designation	Percentage of Increase
1.	Mr. Ashok Kumar Vishwakarma	Managing Director	No Increase
2.	Mr. A. Mahesh	Chief Financial Officer	No Increase
3.	Mr. C. Abhilash	Company Secretary	No Increase

c. 9% increase was reported in the median remuneration of employees in the financial year.

d. The number of permanent employees on the rolls of Company as on 31st March 2018 is 21.

e. Average percentile increase already made in the salaries of employee's other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

   There was no increase in remuneration to Key Managerial Personnel (KMP) & for employees other than KMP the increase was based on their performance.

f. We affirm that the remuneration paid during the period under review, is as per the Remuneration Policy of the company.

As required under provisions of the Act and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employee falling under the above category, thus no disclosures are required to be given in the report.

23. LISTING OF SHARES & DEMATERIALIZATION

The Equity shares of your Company continue to be listed in BSE Limited (BSE) and National Stock Exchange of India Limited(NSE).Your company has received in principal approval from BSE for revocation of suspension of trading in the month of April 2018 and is in the process of completing the formalities laid out in the approval.

The shareholders can avail the facility provided by NSDL and CDSL to dematerialize their shares. Shareholders are requested to convert their physical holdings into dematerialized form to derive the benefits of holding the shares in electronic form.

24. INVESTOR SERVICES

Your Company shall constantly endeavour to give the best possible services to the investors and to keep the time of response to shareholder's request / grievance at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest possible time.

The investor Grievances Redressal / Stakeholder's Relationship Committee of the Board meets periodically and reviews the status of the Shareholders' Grievances.

25. GRATITUDE & ACKNOWLEDGEMENTS:

Your Directors place on record their sincere & high appreciation for the unflinching commitment, dedication, hard work and valuable contribution made by the employees of the company and its subsidiaries for sustained growth of group as a whole. Your Directors also sincerely thank all the Promoters, stakeholders, Government authorities, Customers, vendors, Banks business associates, shareholders and other statutory bodies for their continued assistance, support and co-operation.

26. CAUTIONARY STATEMENT

Certain Statements in the Board's report and the Management Discussion and Analysis describing the Company's & its subsidiaries objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement.

For and on behalf of the Board of Directors,

Ashish Sushil Jalan
Chairman

Date: May 29, 2018
Place: Chennai

ANNEXURE-A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with Rs. in Thousands)

S.No.	Particulars	Details				
1.	Name of the subsidiary	**S&S Power Switchgear Equipment Limited**	**Acrastyle Power (India) Limited**	**Acrastyle EPS Technologies Ltd**	**Acrastyle Limited, UK**	**Acrastyle Switchgear Limited, UK**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	1 GBP = 92.28	1 GBP = 92.28
4.	Share capital	12,500	59,451	500	7,836	281,226
5.	Reserves & Surplus	39,920	(5,615)	(32)	(49,290)	(148,042)
6.	Total Assets	281,531	301,905	770	293,765	230,718
7.	Total Liabilities	229,111	248,069	302	335,219	97,534
8.	Investments	0	148,404	0	0	230,712
9.	Turnover	342,535	175,521	3.1	782,114	0
10.	Profit/(Loss) before Tax	22,891	2,277	(3.82)	38,991	(5,030)
11.	Provision for Taxation	(931)	(2,960)	0	0	0
12.	Profit/(Loss) after Tax	21,960	(683)	(3.82)	38,991	(5,030)
13.	Proposed Dividend	0	0	0	0	0
14.	% of shareholding	100%	67%	100%	100%	100%

Notes:

1. Names of subsidiaries which are yet to commence operations - Nil
2. Names of subsidiaries which have been liquidated or sold during the year - Nil
3. Both the UK subsidiaries are step down subsidiaries of the parent Company, S&S Power Switchgear Ltd.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	NIL
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the Associate/Joint Venture is not consolidated	NIL
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

1. Names of Associates or Joint Ventures which are yet to commence operations - NIL
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year - NIL

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For S&S Power Switchgear Limited

For C N K & Associates LLP
Chartered Accountants

Ashish Sushil Jalan
Director
DIN: 00031311

Ashok Kumar Vishwakarma
Managing Director
DIN: 05203223

Vijay Mehta
Partner
Membership No.: 106533
Firm Registration No.: 101961W/W100036

C Abhilash
Company Secretary
A36343

A Mahesh
Chief Financial Officer

Date: May 29, 2018
Place: Chennai

ANNEXURE-B

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L31200TN1975PLC006966
2.	Registration Date	01/09/1975
3.	Name of the Company	S&S POWER SWITCHGEAR LIMITED
4.	Category/ Sub-category of the Company	COMPANY LIMITED BY SHARES (INDIAN NON-GOVERNMENT COMPANY)
5.	Address of the Registered Office & Contact Details	PLOT NO 14, CMDA INDUSTRIAL AREA PART-II, CHITHAMANUR VILLAGE, MARAIMALAI NAGAR, PIN – 603 209. KANCHEEPURAM DT. TAMILNADU MOB : 9381747601 | EMAIL : investor@sspower.com
6.	Whether listed company	YES
7.	Name, Address & Contact Details of the Registrar & Share Transfer Agent, if any.	GNSA INFOTECH LIMITED, STA DEPARTMENT, NELSON CHAMBERS, FOURTH FLOOR, F-BLOCK, NO 115, NELSON MANICKAM ROAD, AMINJIKARAI, CHENNAI – 600029. TAMILNADU

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (SSPSL)

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

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to Total turnover of the Company
1.	MANUFACTURING OF MV SWITCHGEAR ASSEMBLY, WIRING & TESTING ENGINEERING SERVICES	2710 - MANUFACTURE OF ELECTRICITY DISTRIBUTION & CONTROL EQUIPMENT	20%
2.	BUSINESS SUPPORT SERVICES		80%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary Company	% of Shares held	Applicable Section
1.	S&S POWER SWITCHGEAR EQUIPMENT LIMITED	U29299TN2007PLC064927	Subsidiary Company	100%	Sec. 2(87) of the Companies Act, 2013
2.	ACRASTYLE POWER (INDIA) LIMITED	U65991TN1992PLC022760	Subsidiary Company	66.67%	Sec. 2(87) of the Companies Act, 2013

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary Company	% of Shares held	Applicable Section
3.	ACRASTYLE EPS TECHNOLOGIES LIMITED	U31400TN2010PLC074998	Subsidiary Company	100%	Sec. 2(87) of the Companies Act, 2013
4.	ACRASTYLE SWITCHGEAR LIMITED, UNITED KINGDOM (Subsidiary of Acrastyle Power (India) Ltd)	NOT APPLICABLE	Subsidiary Company	100%	Sec. 2(87) of the Companies Act, 2013
5.	ACRASTYLE LIMITED, UNITED KINGDOM (Subsidiary of Acrastyle Limited)	NOT APPLICABLE	Subsidiary Company	100%	Sec. 2(87) of the Companies Act, 2013

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1st April 2017]				No. of Shares held at the end of the year [as on 31st March 2018]				% Change during the year
Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters **(1) Indian** a) Individual/ HUF	72532	5419	77951	1.26	77951	-	77951	1.26	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3002887	6150	3009037	48.53	3009037	-	3009037	48.53	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**3075419**	**11569**	**3086988**	**49.79**	**3086988**	**-**	**3086988**	**49.79**	**0.40**

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1st April 2017]				No. of Shares held at the end of the year [as on 31st March 2018]				% Change during the year
Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**3075419**	**11569**	**3086988**	**49.79**	**3086988**	**-**	**3086988**	**49.79**	**-**

Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
B. Public Shareholding (1) Institutions a) Mutual Funds	-	26088	26088	0.42	-	26088	26088	0.42	-
b) Banks / FI	-	150	150	-	50	150	200	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	75726	-	75726	1.22	75726	-	75726	1.22	-
g) FIIs	750	3150	3900	0.06	750	3150	3900	0.06	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	**76476**	**29388**	**105864**	**1.70**	**76526**	**29388**	**105914**	**1.70**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1st April 2017]				No. of Shares held at the end of the year [as on 31st March 2018]				% Change during the year
Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions a) Bodies Corp. i) Indian	60083	16816	76899	1.24	73659	16816	90475	1.46	0.22
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals i) Individual shareholders holding nominal share capital upto Rs.1 lakh	244837	-	244837	3.95	188890	-	188890	3.05	(0.90)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1279227	1402738	2681965	43.26	1338403	1371387	2709790	43.71	0.45
c) Others specify	-	-	-	-	807	-	807	0.01	0.01
Non Resident Indians	-	3447	3447	0.06	13689	3447	17136	0.28	0.22
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)	1584147	1423001	3007148	48.50	1615448	1391650	3007098	48.50	-
Total Shareholding of Promoter (B) = (B)(1) + (B)(2)	**1660623**	**1452389**	**3113012**	**50.21**	**1691974**	**1421038**	**3113012**	**50.21**	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**4736042**	**1463958**	**6200000**	**100.00**	**4778962**	**1421038**	**6200000**	**100.00**	-

b) Shareholding of Promoter

Sl. No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	PROMOTER - INDIVIDUAL							
1.	Ashish Sushil Jalan	34297	0.55	NIL	34297	0.55	NIL	NIL
2.	Sushil Kumar Keshavdeo Jalan	13236	0.21	NIL	13236	0.21	NIL	NIL
3.	Snehal Jalan	16650	0.27	NIL	16650	0.27	NIL	NIL
4.	Rekha Jalan	13768	0.22	NIL	13768	0.22	NIL	NIL
	TOTAL	**77951**	**1.26**		**77951**	**1.26**		
	PROMOTER – BODY CORPORATE							
1.	Hamilton and Company Ltd	2230030	35.97	NIL	2230030	35.97	NIL	
2.	Saurabh Industries Ltd	247282	3.99	NIL	247282	3.99	NIL	
3.	Bombay Gas Company Ltd	200000	3.23	NIL	200000	3.23	NIL	NIL
4.	Woodlands Associates Pvt Ltd	159400	2.57	NIL	159400	2.57	NIL	NIL
5.	Blue Chip Business Centre Pvt Ltd	104175	1.68	NIL	104175	1.68	NIL	
6.	Boistur Commercial Ltd	62000	1.00	NIL	62000	1.00	NIL	NIL
7.	RJ Investment Pvt Ltd	6150	0.10	NIL	6150	0.10	NIL	NIL
	TOTAL	**3086988**	**49.79**		**3086988**	**49.79**		

c) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	3061988	49.79	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	THERE IS NO CHANGE IN PROMOTER HOLDING DURING THE YEAR UNDER REVIEW			
	At the end of the year	3086988	49.79		

**d) Shareholding Pattern of Top Ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Life Insurance Corporation of India At the beginning of the year At the end of the year	43750 43750	0.71 0.71	- -	- -
2.	Paresh Amrutlal Trivedi At the beginning of the year Market Sales – 05/05/2017 At the end of the year	49307 10000 49307	0.80 0.16 0.80	49307 39307 -	0.80 0.63 -
3.	Sundar Iyer At the beginning of the year At the end of the year	36765 36765	0.59 0.59	- -	- -
4.	The New India Assurance Company Limited At the beginning of the year At the end of the year	30875 30875	0.50 0.50	- -	- -
5.	P Mukesh At the beginning of the year At the end of the year	20126 20126	0.32 0.32		
6.	Mumtaz N At the beginning of the year Market Purchase - 01/12/2017 At the end of the year	- 13337 13337	- 0.35 0.35	- 13337 -	0 0.35 -
7.	Utkarsh Babubhai Shah At the beginning of the year At the end of the year	13000 13000	0.34 0.34	- -	- -
8.	D Dinesh Kumar Nahar At the beginning of the year At the end of the year	12791 12791	0.33 0.33	- -	- -
9.	Bhagwan Das Sharda At the beginning of the year At the end of the year	11601 11601	0.30 0.30	- -	- -
10.	Samindra Ratilal Shah At the beginning of the year At the end of the year	11600 11600	0.30 0.30	- -	- -

e) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	**Mr Ashish Sushil Jalan – Promoter / Chairman** At the beginning of the year	34297	0.55	34297	0.55
	Changes during the year	-	-	-	-
	At the end of the year	34297	0.55	34297	0.55

Apart from the above Promoter Director none of the Key managerial personnel hold any share in the Company.

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	10,27,48,920	-	10,27,48,920
ii) Interest due but not paid	-	78,13,990	-	78,13,990
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	**11,05,62,910**	-	**11,05,62,910**
Change in Indebtedness during the financial year				
* Addition	-	3,70,00,000	-	3,70,00,000
* Reduction	-	76,88,425	-	76,88,425
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	13,37,48,919	-	13,37,48,919
ii) Interest due but not paid	-	1,38,20,528	-	1,38,20,528
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	**14,75,69,447**	-	**14,75,69,447**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Ashok Kumar Vishwakarma, Managing Director (Amount in Rs.)	Total Amount (in Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,35,052	59,35,052
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	**59,35,052**	**59,35,052**
	Ceiling as per the Act	**1,68,00,000**	**1,68,00,000**

b) Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors Amount (in Rs.)				Total Amount (in Rs.)
		Deepak Jugal Kishore Chowdhary	Nandakumar Sundarraman	Ajay Kumar Dhagat	Gayathri Sundaram	
1.	Independent Directors					
	Fee for attending board committee meetings	20,000	50,000	50,000	60,000	1,80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**20,000**	**50,000**	**50,000**	**60,000**	**1,80,000**
2.	Other Non-Executive Directors	Ashish Sushil Jalan				Total Amount (in Rs.)
	Fee for attending board committee meetings	60,000		-	-	60,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**60,000**				**60,000**
	Total (B) = (1 + 2)	**80,000**	**50,000**	**50,000**	**60,000**	**2,40,000**
	Total Managerial Remuneration	**80,000**	**50,000**	**50,000**	**60,000**	**2,40,000**
	Overall Ceiling as per the Act	It is in accordance with the provisions of the Companies Act 2013				

c) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		A Mahesh (CFO)	C Abhilash (CS)	Total Amount (in Rs.)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	9,55,300	33,55,300
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	**24,00,000**	**9,55,300**	**33,55,300**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For S&S POWER SWITCHGEAR LTD

Date: May 29, 2018
Place: Chennai

Ashish Sushil Jalan
DIN: 00031311
Director

Ashok Kumar Vishwakarma
DIN: 05203223
Managing Director

ANNEXURE-C

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

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

To,
The Members,
S & S Power Switchgear Limited,
Plot No 14, CMDA Industrial Area,
Part-II Chithamanur Village,
Maraimalai Nagar,
Chennai – 603209.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by S & S Power Switchgear Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by S & S Power Switchgear Limited for the financial year ended on 31st March, 2018 according to the applicable provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bylaws framed thereunder;

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

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

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.

(vi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(vii) Other laws applicable to the Company as per the representations made by the Management.

With respect to Fiscal laws such as Income Tax, Value Added Tax, Central Excise Act and Service Tax Rules, Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses in Secretarial Standards issued by The Institute of Company Secretaries of India have been generally complied with.

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

1. The Loans, advances and Investments made by the Company are not in consonance with the provisions of Section of 185 and Section 186 of the Companies Act, 2013. However the Company is contemplating to obtain shareholders approval in the ensuing Annual General Meeting.
   - During the financial year 2016-17, the Company has advanced interest-free loan to its Subsidiary (S&S Power Switchgear Equipment Ltd) to the extent of Rs. 5,82,00,000 which is not in accordance with Section 186(7) of the Companies Act 2013. In the current financial year, the Company has created the provisions in the books of Accounts for interest accrued on the above said loans.
2. The Company has not filed e-form MGT 14 for the borrowing done during the year 2017-18

During the period under review there were no events which required specific compliance of the provisions of

i. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

ii. the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

I further report that

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

Adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For BP & Associates,
Company Secretaries
S. Bhaskar
Partner
M No: 10798
CP No: 8315

Date: May 29, 2018
Place: Chennai

ANNEXURE-A

To,
The Members,
S & S Power Switchgear Limited,
Plot No 14, CMDA Industrial Area,
Part-II Chithamanur Village,
Maraimalai Nagar, Chennai - 603209

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

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

For BP & Associates,
Company Secretaries
S. Bhaskar
Partner
M No: 10798
CP No: 8315

Date: May 29, 2018
Place: Chennai

ANNEXURE-D

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

S&S Power Switchgear Limited

We have examined the compliance of the conditions of Corporate Governance by S&S Power Switchgear Limited ('the Company') for the year ended March 31, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

We further state that in respect of investor grievances received during the year ended March 31, 2018, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Investor Grievance / Stakeholders Relationship Committee.

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

For BP & Associates,
Company Secretaries,

S BHASKAR
Partner
Membership No: 10798
CP No. 8315

Place : Chennai
Date : May 29, 2018

ANNEXURE-E

MD/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To
The Board of Directors
S&S POWER SWITCHGEAR LIMITED,

In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, Managing Director and Chief Financial officer of the Company has certified to the Board that:

(A) We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

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

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

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

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

(D) We have indicated to the auditors and the Audit committee that:

  (i) there has not been any significant change in internal control over financial reporting during the year;

  (ii) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

  (iii) we are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai	**Ashok Kumar Vishwakarma**	**A. Mahesh**
Date : May 29, 2018	Managing Director	Chief Financial Officer
	DIN: 05203223	

ANNEXURE-F

Annual Declaration under Regulation 34(3) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

DECLARATION

As required under Regulation 34(3) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior executives of the Company have complied with Code of Ethics of the company for the year ended March 31, 2018.

Ashok Kumar Vishwakarma
Managing Director
DIN: 05203223

Date : May 29, 2018
Place : Chennai

MANAGEMENT DISCUSSION ANALYSIS REPORT

S&S POWER GROUP TODAY AND ITS BUSINESS SEGMENT

S&S Power Switchgear Limited (S&S PSL) executes its businesses through its subsidiaries in India and UK. UK subsidiary (Acrastyle Limited) is primarily focused on Protection and Control Systems for UK distribution companies. They are also developing non-core business by promoting High Voltage Disconnectors manufactured in India, Engineering Services, and Battery Charger.

India Business is executed through three legal entities: S&SPSL, S&SPSE, and APIL. S&SPSL is the holding company and restarting its Spare part service, retrofit, replacement, and extension business for various Indoor and outdoor Circuit breakers supplied in past. It bought over the 49% shares of SSPSE from its Joint Venture Partner M/s. Coelme in Italy.

S&S PSE operations is the key business of the Group in India and is executed from its Pondicherry based facility. This business has undergone major transformation in the year 2017-18 by redesigning the value chain and extension of product range and applications. Our quest for geographical expansion yielded rich results with successful entry in Africa, Afghanistan, Sri Lanka, Malaysia, and Canada.

APIL business was largely catering to OEM segment as a tier two supplier. Significant breakthroughs have been achieved in this business by executing 220kV P&C systems with substation automation system (SAS) for Toshiba, for ultimate application by OPTCL and by securing approval and acceptance by a large company in the Middle East. Recently, a new GIS panel order from GE has opened a new line of activity which will deliver growth in 2018-19.

GROUP OVERVIEW

The Company is a part of Transmission & Distribution Equipment industry; power sector focused Switchgear, P & C Solutions and associated electrical systems, products and services.

Industry and Sector attractions:

- Renewable Energy
- Distribution Company reform
- 24x7 Power availability
- Rural Power development
- Increase in Greater capacity

Drive Growth in T&D Equipment business in India.

As mentioned, your Company has five subsidiaries namely;

1. S&S Power Switchgear Equipment Limited, Pondicherry (S&S PSE)
2. Acrastyle Power (India) Limited, Maraimalai Nagar (APIL)
3. Acrastyle Switchgear Limited, United Kingdom (UK) (ASL)
4. Acrastyle Limited, United Kingdom (UK) (AL)
5. Acrastyle EPS Technologies Limited, Chennai (AEPS)

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016 with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries are appended to this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards.

S&S POWER SWITCHGEAR LIMITED

Business Model

Servicing of Old installed base of Circuit Breakers by supplying spares and services, retrofitting old technology Circuit Breakers with Vacuum Circuit Breakers and executing extension job for old projects.

Designing, manufacturing and selling new Circuit Breaker products for special indoor and outdoor applications. Focusing on Assembly Plant in-house and managing supply chain to execute new projects.

Providing after sale service, managing refurbishment projects and bundling switchgear (Control and Relay Panel, Circuit Breaker and Disconnector Switch).

Product lines and Service

- Spares and Services
- Retrofit Solutions
- New Circuit Breakers
- MV Switchgear Panels

S&S POWER SWITCHGEAR EQUIPMENT LIMITED

Business Model

Design, Manufacture, Supply and Service of Disconnector Switches and sale through select EPCs and customers in target markets in India, Africa, UK, ASEAN, and SAARC Countries.

Product lines and Service

- Disconnector Switch - Center break, Double break, and Pantograph from 12 KV to 550 KV.
- First erection certification, retrofitting and refurbishing of any make of Isolator in the field.

ACRASTYLE POWER INDIA LIMITED

Business Model

Design, Manufacture and supply of electrical control, relay panel and automation solutions such as Light Voltage Control Cubical (LVCC), Control & Relay Panel (CRP), Cooler Control Cubical (CCC), Remote Tap Changer Control Cubical (RTCC) & Gas Insulated Switchgear (GIS) Panel.

Product lines and Service

- Secondary Engineering Services
- Control and Relay Panels
- GIS Control Panel
- Low Voltage Control Cabinets
- Drive Box for Disconnector Business
- Circuit Breaker Control Panel
- Medium Voltage Switchgear Panels

ACRASTYLE LIMITED, U.K

Business Model

Engineering, Manufacturing, Testing and Supply of Protection Systems and associated products to utilities.

Product lines and Service

- Engineered Protection Systems
- Standard Protection and Control Panels
- Disconnector Switch
- Battery Charger
- NER Panels

INDUSTRY OUTLOOK: IN CLUSTERS OF MARKET WHERE WE PLAY

India Market

After a long time of low growth in the Electrical Equipment business, we have a 12.5% growth in last year. This growth is mainly driven in the areas of rotating machines, cables, and smart meters. However, Government initiatives such as 24 x 7 electricity to all, focus on renewable energy resources, continuous improvements in National and State grids to reach the far ends of the country etc. are likely to drive the market in the distribution sector.

Opportunities in Micro grids, renewable energy will be strong in Indian market. Hence, any association with EPC companies in the above areas will be interesting lead for us.

Our focus in India market is selective customer, OEM and Spares and Retrofit Business. With large installed base of Circuit Breaker and Disconnectors from the beginning of our inception provides great opportunity. We have been developing our service portfolio by refurbishing any disconnector and this has helped us to win.

Strong relationship with GE & Toshiba has given us predictable business and developing this further would be our aim.

Africa Market

This territory has got expanded for us due to exit of our JV with Coelme. We are also looking to promote our offerings from India as well as UK into this market.

The competition in North Africa is with European manufacturers and in other parts of Africa it is with Chinese manufacturers. Accessing the route through localization, S&S can leverage agent support to increase access to South African development countries. Potential with M/s. ACTOM Engineering in South Africa is targeted to accomplish this. Apart from agency support, we are accessing African market through our existing relationship with Indian EPC contractors such as L&T, NCC, KEC, and KPTL. Specifically, we are accessing North African market through Acrastyle UK. The business model followed in North African market is that Front-End jobs are done at Acrastyle UK and Back-end jobs are done in India.

In African continent, our focus is on 16 countries, which are targeted based on its economic activity, social & political stability and spread of Transmission & Distribution projects in the market. These 16 countries are divided into two regions: North & West, South & East.

Bangladesh Market

Bangladesh has been a great success story last year. We continue to have great run in distribution class disconnectors for urban and rural distribution utilities.

Projects related to National Grids, Electricity For All are big drivers for business growth in Bangladesh. There is a push by European manufacturers to bring in 420 kV products. S&S Power is upgrading its products and services to cater and compete in this situation. Our business model in this region is that Disconnector is supplied from India and Control & Relay panel is done from UK.

Bangladesh continues to be an interesting market. There are four main territories in which we explore:

1. Transmission Company - PGCB
2. Rural Development – BREB
3. Urban Distribution – BPDB
4. Other Power Plants and Projects

Our expanded product range with 12 kV in the lower end and Load Break Switch development will bring some additional opportunities in Bangladesh market.

Our continued effort to secure approval of our new range of 63KA DS for 4000 A against European Make is a great challenge we are trying to address.

UK Market

Acrastyle Limited company's presence in UK market for more than 5 decades has provided very strong relationship and large installed base. Many DNOs have clear preference for Acrastyle quality and service and have long term frame contracts. Re-electrification, replacement, and refurbishment of old electrical network and substations, improvement in network efficiency and introduction of digital technology are the key drivers in the market. Expanding our base in transmission side, developing industrial market, participating in Wind energy development, expanding portfolio like Disconnector and Engineering services, developing P&C business in UK market to OEM like GE, Mitsubishi by leveraging Minimum Viable Product (MVP) plus additional service at extra charges, and exploring medium voltage space for Panels are real opportunities in this market.

Owing to regulatory review cycle the demand in traditional Utility Market has been low and hence we have devised a new strategy to overcome this.

The company is planning to initiate several actions in line with its strategy for the next three years on the following vectors:

1. Localize disconnector from 12 kV to 145 kV in UK and service Baltic countries, UK, and North Africa Market.
2. Leverage Global Supply Chain for P & C business.
3. Develop export business of P&C in Bangladesh, Myanmar, KSA, Morocco, Algeria etc. through known channels.

Other Market

S&S Power has expanded its geography to markets such as Middle East, Malaysia, Myanmar. As far as Middle East market is concerned, our initial focus is on Kuwait, Oman, Bahrain, and Qatar. However, Acrastyle UK approval with SECO is going to be leveraged for Control & Relay panels supply through global supply chain model. We are also planning to develop Load Break Switch in this market.

In Malaysian market, we are in the verge of appointing a new agent and redeveloping the product portfolio. We use the synergy with Acrastyle UK and supply both Disconnector and Control & Relay panel from UK for accessing Myanmar market.

Emerging Growth Opportunities

S&S Power group envisages huge growth opportunities in the year 2018-19 for Disconnector, and CB CRP product lines. Several growth programs have been planned during the year for different product lines, some of which are detailed below.

1. **Creating International Sales Footprint for Disconnector**

   - Regional sales focus - Exclusive Regional Sales Manager for ASEAN with special focus on Vietnam, Exclusive Regional Sales Manager for Africa, Exclusive Regional Sales Manager for Other / New territories.
   - Localise front end sales in strategic countries - Sales leader based in Dhaka for Bangladesh and Myanmar, Sales leader based in Hanoi for Vietnam / Laos / Cambodia, Junior resource supporting Sales leader for Execution in Africa.
   - Create global agent network - Appoint an Agent in Sri Lanka / Indonesia / Philippines / Thailand, Create agent network in Africa through Triprop / Relay Engineering / SenRe, Appoint an Agent in Russia.
   - Build strategic alliances - Build Alliance with Tenaga Switchgear, Alliances with MindCore Canada, Acrastyle UK, and Russian companies.

2. **Developing Non-Framed Business**

   - Focus on Southern Region.
   - Focus only upto 145 kV – Standardize Offerings by leveraging UK Schemes and Solutions, Optimize the cost by right part selection and vendor selection, consolidate on existing supply reference by getting performance letter.
   - Leverage international contacts for export - Relay Engineering South Africa Account Development, Nepal Market development with NEA Approval, Build a strong partnership with a Solar Developer.
   - Focus on OEM relationship - Qualify Al-Ahelia and Build Confidence to be a reliable partner, Work Closely with Toshiba, Use Acrastyle Synergy in third country market.
   - Secure target End Utility approval for EPC business - Complete PGCIL Qualification, OPPTCL Qualification, and Select South Utility Qualification in Distribution and sub-transmission.
   - Integrate CB & CRP products and expand offerings - Build LV Switchgear, Bundle CB, DS & CRP Offerings, Solar Power Evacuation KIT Offerings using 33KV Outdoor KIOSK.

Threats

Most of the companies in Indian corporate sector are highly leveraged, limiting their financial capacities for new investments. Banking Sector is also struggling with huge NPAs, mostly with the Indian corporates and are reluctant to lend more to corporates who have defaulted or are in CDR/SDR.

SEB, DISCOMs are also struggling with huge accumulated losses. Very few of them are capable of investing in T&D network infrastructure. There is a huge mismatch between revenues and costs at the Discom level making their ability to expand and improve their network very difficult. Also, the procurement process practiced by the Govt of buying lowest priced equipment without capturing life cycle cost is a big threat to network improvement.

Internal Control Systems

The Company maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. The internal control systems have been designed to provide reasonable assurance about recording and providing reliable financial and operational information. The Internal Control process of the Company has been robust and provides reasonable assurance on - reliability of financial information, compliances with laws and regulations in force and realization and optimization of operations. It ensures documentation and evaluation of unit and entity level controls through existing policies and procedures, primarily to identify any significant gaps and define key actions for improvement.

In the year 2017-18, both the sites (Chennai and Pondicherry) in India got certified to Integrated Management System compliant to ISO 9001, ISO 14001, and OHSAS 18001.

These systems are regularly tested for their effectiveness by Statutory and Internal Auditors. The review also helps to evaluate adequacy of segregation of duties, access rights, delegation of authority, safeguarding assets, etc. The monitoring includes an annual exercise assessing in totality, how the entire internal control system addresses risks and how individual controls interface with each other to create the entire internal control environment. A formal system exists for periodic monitoring and reporting of the results of the internal control self-assessments.

The Internal control processes were audited by the statutory auditors as part of Internal Financial controls over Financial reporting audit and termed these controls as adequate and operating effectively. In the highly networked IT environment of the Company, validation of IT security receives focused attention from IT specialist and Statutory Auditors.

The Company has a strong and independent internal audit function consisting of professionally qualified accountants and internal audit being carried out by a firm of Chartered Accountants very well supported by our Audit Committee. Significant observations made by the internal auditors and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of internal audit recommendations. During the year, the Company has taken steps to review and document the adequacy and operating effectiveness of internal controls.

During the next year 2018-19, the company will be upgrading its ERP systems from the current Integreatz ERP, Tally systems etc. to SAP B1 9.3 to improve transactional capacity, efficiency, and compliance. With the implementation of SAP B1 9.3, it is expected that core processes are integrated, data becomes more accurate, decision making will be quicker, and internal process control will be improved.

KEY EVENTS DURING THE YEAR ENDED MARCH 31, 2018

Month	Internal	External
May, 2017	Annual Staff Meet was held at Intercontinental Resort, Mahabalipuram to celebrate the success of FY 2016-17, share the strategy for FY 2017-18, reward high performing teams and individuals.	Minimum Ambient Air temperature test (-25°C) and Ice test on Disconnector and Earth Switch conducted at CERDA in France.
July, 2017	Joining of Mr. Mohammed Hafeez as General Manager - Sales & Marketing for Disconnector.	
August, 2017		1. Customer Care Day was held @ PGCB in Bangladesh. This seminar was held to brief PGCB engineers on S&S Power product range & experience. Training programs were also conducted to the engineers. Participated in PowerElec Ghana Trade Exhibition to improve market access and brand image in Africa region. 2. Participated in PowerElec Ghana Trade Exhibition to improve market access and brand image in Africa region.
September, 2017	Foundation Day celebration was held at MMF, highlighting 4 decades of S&S formation & its growth. Kick-starting of SBU matrix organisation, Corporate video, and Employee Handbook also took place.	
October, 2017	Joining of new Trainee Engineers to strengthen Design teams for both Disconnector & CB CRP.	
December, 2017	1. STC Test successful for RD 420kV, 4000A, 63kA. 2. Customer Training Program was conducted at Pondicherry Plant on HV Disconnector products.	
March, 2018	Joining of Mr. Shanmukhan Swamy as Manager - Engineering for CB CRP operations.	

S&S POWER STRATEGY FOR THE YEAR 2018-19 - INDIA OPERATIONS




Deliver Financial Commitments	Develop 12/36/132 KV Global Distribution Class DS	Build the Organization for Future	Improve Brand Image & Market Penetration	Improve IT Infrastructure & Global Productivity	Instill Financial Rigor
@ 75% Order Growth, (90 Cr) @ 33% Sales Growth, (73 Cr) @ 8% Net Profit (6 Cr) @ 7 Cr Cash	Load Break Fault Make Switch, GOAB, Pantograph, RV, ICE Breaking capability, ENA Approval, ANSI Compliance, International Quality, Logistics & Documentation	Integrate into 1 S&S , Leverage Acrastyle Synergy, Strengthen Leadership, Transform performance culture. Drive Accountability through G&O & Rigorous Review	Drive Digital Marketing, Increase Commercial Intensity, Improve Customer Centricity in the company, Implement International Sales Organization	Improve ERP System, Database Management, BI, MIS Accuracy, Fix Hardware, Network and License Issues.	Improve Working Capital Management Strengthen Contract Management, NPA Focus, Commercial Policy Compliance and Inventory Management Programs. Improve Profitability Forecast Reliability

S&S POWER STRATEGY FOR THE YEAR 2018-19 – UK OPERATIONS




Deliver Financial Commitments	Develop Global Supply Chain Model	Build the Organization for Future	Improve Brand Image & Market Penetration	Diversification	Instill Financial Rigor
Achieve: £7.1m sales £114k op. profit Fast and accurate reporting, results and supporting schedules in 1 day of the month close. Good cash management and forecasting. Paying all stakeholders to contractual terms. Maintain a balanced scorecard	Disconnectors Localise 12-145kV manufacture and service UK, Baltic and N Africa market CRP Develop Export Business of P&C in target territories (Bangladesh, Myanamar, KSA, Morocco, Algeria, etc)	Energise Team, Empower younger leaders to take on larger Projects with the guidance of experienced leaders, Drive people engagement initiatives. Build on existing Apprenticeship scheme.	Drive Digital Marketing, Increase Commercial Intensity, Manage existing Clients, Engage new Clients, promote Engineering Services more aggressively	Highlight and develop NEW equipment offerings for the organization:- LVAC Boards Dry type NER's Containerised Substations Develop Manufacturing and test facilities to cater for new offerings.	Using technology to continuously improve systems, while still maintaining data integrity:- Main business system Project management Improve Profitability/Forecast Reliability.

REPORT ON CORPORATE GOVERNANCE

The core principles of Corporate Governance practices are fairness, transparency, accountability and responsibility. Effective Corporate Governance emphasizes efficiency, accountability and adaptability to the changing environment. Corporate Governance is a process to manage the business affairs of the company towards enhancing business prosperity and accountability with the objective of realizing long term shareholder value.

Pursuant to the provisions of Regulation 34, Regulation 53, Schedule V and other applicable regulations (if any) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], a report on Corporate Governance of the Company for the financial year ended 31st March 2018 is furnished below:

1. Company's Philosophy

Your Company's philosophy on Corporate Governance envisages attainment of the highest level of integrity, fairness, transparency, equity and accountability in all the facets of its functioning and in its interactions with shareholders, employees, government, regulatory bodies, listeners and the community at large. Your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings.

Your Company reiterates its commitment to adhere to the highest standards of Corporate Governance. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to pursue the highest standard of governance in the overall interest of the stakeholders.

2. Board of Directors

a. **Composition and category of the Board of Directors and number of other board of directors or committees in which a director is a member or chairperson:**

Your Company believes that an active, well- informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The Board of Directors of the Company comprises an optimal combination of executive, non-executive and independent directors so as to preserve and maintain the independence of the Board.

As on date, the Board of Directors comprises of 7 Directors, each being eminent persons with professional experience in varied fields. Brief profile of all the Directors of the Company has been furnished separately in the Annual Report.

The Board and Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues.

All statutory and other significant and material information(s) are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of stakeholders.

Comprehensively drafted notes for each agenda item along with back ground materials, wherever necessary, are circulated well in advance to the Committee / Board, to enable them for making value addition as well as exercising their business judgment in the Committee / Board meetings.

Presentations are also being made by the business heads on the Company's operations, marketing strategy, Financial Updates in Committees/ Board Meetings.

In line with the Nomination & Remuneration policy, the Directors are identified based on their qualifications, positive attributes, area of expertise, etc. Appointment of the Directors of the Company is approved by the members at their general meetings.

Also, none of the Independent Directors on the Board serve as an independent director in more than seven listed entities and none of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in SEBI (Listing Obligation and Disclosure Requirements)Regulation, 2015, across all the Companies in which he/she is a Director. The Directors have made the necessary disclosures regarding Committee positions during the period under review.

Leave of absence was granted to the Director(s) for the Board Meeting(s), which they did not attend and sought the leave of absence from the meeting.

Details relating to the composition of the Board of Directors, number of directorships, memberships and chairmanships of the Directors of the Company in other public limited companies (as on the date of this report) are as follows:

Name of the Director	Category	As on the date of the report		
		No of other Directorship ($)	Committee Position (#)	
			Member	Chairman
Mr Ashish Sushil Jalan (DIN: 00031311)	Non-Executive Chairman	6	2	4
Mr Ashok Kumar Vishwakarma (DIN: 05203223)	Managing Director	3	3	-
Mr Deepak Jugal Kishore Chowdhary (DIN: 00332918)	Independent Director	2	2	-
Mr Ajay Kumar Dhagat (DIN: 00250792))	Independent Director	1	1	-
Mr Nandakumar Sundarraman (DIN: 02503998)	Independent Director	1	1	-
Mrs Gayathri Sundaram (DIN: 07342382)	Independent Director	-	-	-
Mr Peter John Woolrich (DIN: 07808275)	Non-Executive Director	-	-	-

$ Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Companies u/s 8 of the Companies Act, 2013 and memberships of Managing Committees of various Chambers/bodies and Alternate Directorships.

Committees include only Audit Committee and Stakeholders Relationship Committee.

b. Attendance of each directors at the meetings of the Board of Directors, and Board Committees held during the financial year under review and at the last Annual General Meeting (AGM) are as follows:

The Board met 6 times between 1st April 2017 and 31st March 2018 as given below:

Name of the Director	Designation	No of Meetings held	No of Meetings attended
Mr Ashish Sushil Jalan	Chairman	6	6
Mr Ashok Kumar Vishwakarma	Managing Director	6	6
Mr Nandakumar Sundarraman	Chairman (Audit Committee)	6	5
Mr Deepak Jugal Kishore Chowdhary	Member	6	2
Mr Ajay Kumar Dhagat	Member	6	5
Mrs Gayathri Sundaram	Member	6	6
Mr. Peter John Woolrich	Member	5	2

The company informs the Directors through the notice of the meeting regarding the options available to them to participate through video conferencing mode in the meetings except in respect of matters not to be dealt with through video conferencing.

Apart from receiving the director's remuneration, none of the above referred Independent Non-Executive Directors have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect their independence.

The Company has not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management, etc. that may have potential conflict with the interest of the Company at large.

c. Number of meetings of the Board of Directors held and dates on which held and date of the last AGM held:

The board met 6 times during the year and the date are as follows:

5th June 2017, 12th September 2017, 1st December 2017, 7th December 2017, 14th February 2018 & 29th March 2018.

Name of the Director	Designation	Attendance at previous Annual General Meeting held on 29.08.2017
Mr Ashish Sushil Jalan	Chairman	YES
Mr Ashok Kumar Vishwakarma	Managing Director	YES
Mr Nandakumar Sundarraman	Member	YES
Mr Deepak Jugal Kishore Chowdhary	Member	NO
Mr Ajay Kumar Dhagat	Member	NO
Mrs Gayathri Sundaram	Member	NO
Mr Peter John Woolrich	Member	NO

d. Disclosure of relationships between directors inter-se:

None of the Directors are related with each other or key managerial personnel (inter-se) within the meaning of the Listing Regulations.

e. **Number of shares and convertible instruments of the Company held by Non-Executive Directors:**

Mr Ashish Sushil Jalan, Chairman &Non-Executive Director of the Company holds 34,297 Equity shares as on 31st March 2018 and as on the date of this Report.

f. **Weblink where details of familiarization programmes imparted to independent directors is disclosed:**

www.sspower.com

g. **Independent Directors' Meeting:**

The Independent Directors (IDs) met on December 7, 2017 without the presence of Non-Independent Directors and members of the in compliance with the provisions of Schedule at this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Committees of the Board

The Board Committees have been constituted to deal with specific areas / activities which need a closer review. The Board Committees are set up under the formal approval of the Board to carry out the clearly defined roles. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

3. Audit Committee

The Company recognizes that the Audit Committee is indispensable for ensuring accountability amongst the Board, the Management and the Auditors, who are responsible for sound and transparent financial reporting. The Audit Committee is responsible for overseeing the processes related to financial reporting and information dissemination. It assists the Board of Directors (Board) in its responsibility for overseeing the quality and integrity of accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and transparency and integrity of financial reporting.

The constitution, composition, frequency of meetings, terms of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Companies Act, 2013 and Listing Regulations (including any statutory modification(s) or re-enactment or amendments thereof).

The Audit Committee comprises 4 (Four) members consist of Three Independent Non-Executive, One Non-Executive Director. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee.

The Statutory Auditors, Internal Auditors and other relevant Senior Management Persons of the Company are invited to attend the Meetings of Audit Committee.

Mr. Nandakumar Sundarraman (DIN: 02503998), Chairman of the Audit Committee was present at the last Annual General Meeting held on 29th August 2017.

a. Brief description of terms of reference inter alia includes :

- To oversee the financial reporting process.
- To oversee the disclosures of financial information.
- To recommend appointment / removal of statutory auditors and fixation of their fees.
- To review the quarterly/half yearly financial results and annual financial statements with the management, internal auditor and the statutory auditor.
- To consider the reports of the internal auditors and to discuss their findings with the management and to suggest corrective actions wherever necessary.
- To Review with the management, statutory auditors and the internal auditors the nature and scope of audits and the adequacy of internal control systems.
- To Review major accounting policies and compliance with accounting standards and listing agreement entered into with the stock exchange and other legal requirements concerning financial statements.
- To Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend) and creditors, if any.
- To Review related party transactions of material nature, with promoters or the management and their relatives that may have potential conflict with the interests of the Company at large.
- To investigate any matter covered under Section 177 of the Companies Act, 2013.
- To Review the financial and risk management policies.

b. Composition, names of members and chairperson:

The Audit Committee comprises of the following Directors as on date of the Report:

Name of the Director	Designation	No of Meetings held	No of Meetings attended
Mr Nandakumar Sundarraman	Chairman	4	4
Mr Deepak Jugal Kishore Chowdhary	Member	4	2
Mrs Gayathri Sundaram	Member	4	4
Mr Ashish Sushil Jalan	Member	4	4

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Company Secretary acts as the Secretary of the Audit Committee.

c. Meetings and attendance during the year :

During the financial year under review, the Audit Committee met four times, i.e. on 5th June 2017, 12th September 2017, 7th December 2017 & 14th February 2018. Details of attendance are furnished at Para (2) (b) ('Board of Directors') of this report.

4. Nomination and Remuneration Committee

The Nomination and Remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations 2015, read with section 178 of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

The Nomination and Remuneration Committee comprises 4 (Four) consist of Three Independent Non-Executive Directors, One Non-Executive Director and the Chairman being Non-Executive and Independent. The Company Secretary ofthe Company acts as Secretary to the Nomination and Remuneration Committee.

5. Remuneration of Directors

a. **Remuneration of Directors Pecuniary relationship or transactions of the non–executive directors vis-á-vis the Company:**

   There were no pecuniary relationships or transactions of Non-Executive vis-á-vis the Company.

b. **Criteria for making payments to Non- Executive Directors:**

   Independent Directors of the Company have been paid as per the Companies policy.

c. **Disclosures with respect to remuneration:**

   Detail disclosures related with respect to Remuneration given in Annexure 2 (MGT-9) of Board Report. Independent Directors are not liable to retire by rotation under the Companies Act, 2013.

   During the financial year under review, the Company has not granted any stock option to any of its Directors.

6. Stakeholders Relationship Committee

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of stakeholders' grievances, the Stakeholders Relationship Committee is constituted. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re- enactment or amendments thereof).

The functions of the Stakeholders Relationship Committee are to review and redress

Shareholders' / Investors' query / grievance / complaint on matters relating to transfer of shares, non-receipt of balance sheet / dividend warrants, etc., and to approve transfers, transmission, consolidation and splitting of share certificates and to authorise the officials to make necessary endorsements on the share certificates.

a. Name of the non–executive director heading the Committee:

   The Committee is headed by the Independent Non-Executive Director and comprises of the following Directors as on the date of this Report:

Name of the Director	Designation	No of Meetings held	No of Meetings attended
Mr Nandakumar Sundarraman	Chairman	4	4
Mr Ashish Sushil Jalan	Member	4	4
Mr Ashok Kumar Vishwakarma	Member	4	4
Mrs Gayathri Sundaram	Member	4	4

b. Name and designation of Compliance Officer:

Mr. C. Abhilash - Company Secretary & Compliance Officer of the Company (email: abhilash@sspower.com)

c. Details of the Shareholder's Compliants:

Number of shareholders' complaints/queries, etc. received during the financial year 2017-2018	1
Number of complaints / queries, etc. not resolved to the satisfaction of shareholders as on 31st March 2018	NIL
No. of pending complaints/ queries, etc. (The complaints/ queries have been resolved in consonance with the applicable provisions of the relevant rules/ regulations and acts for the time being in force)	1

d. The brief description of terms of reference of the Committee inter alia includes:

- To consider and resolve the grievances of security holders of the Company
- To specifically look into the redressal of grievances of shareholders, debenture holders and other security holders
- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.
- To supervise the process relating to transfer, transmission, transposition, split, consolidation of securities
- To issue the duplicate share certificate(s) and supervise the process
- To supervise the process relating to consider re-materialization / dematerialization requests
- To oversee the performance of the Company's registrar & share transfer agents
- To implement and monitor the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
- To make recommendations to improve service levels for stakeholders
- To carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory Authorities.

e. Meetings during the year :

During the financial year under review, the Committee met Four times i.e. on 5th June 2017, 12th September 2017, 7th December 2017 & 14th February 2018. Details of attendance are furnished at Para (6) (a) of this report.

7. General Body Meetings

a. Annual General Meetings:

Details of the location and time, where last three Annual General Meetings (AGMs) held and the special resolutions passed thereat are as follows:

Financial Year, Date and Time	Venue	Whether any Special Resolution Passed (Purpose)
2016-17, Thirty Ninth Annual General Meeting held on August 29, 2017	Plot No:14, CMDA Industrial Area-II, Chithamanur Village, Maraimalai Nagar - 603209.	Re-appointment of Managing Director
2015-2016, Thirty Eighth Annual General Meeting held on August 5, 2016	Narada Gana Sabha Trust, Sadhguru Gnanananda Mini Hall, Alwarpet, Chennai – 600018.	YES (Shifting of Registered Office outside the local limits within the same state)
2014-2015, Thirty Seventh Annual General Meeting held on August 14, 2015	Narada Gana Sabha Trust, Sadhguru Gnanananda Mini Hall, Alwarpet, Chennai – 600018.	YES (Approval for Managerial Remuneration of Managing Director)

i) Special Resolutions passed through Postal Ballot: NIL

ii) Person who conducted the aforesaid postal ballot exercise: N.A.

iii) Whether any special resolution is proposed to be conducted through postal ballot: No

8. Means of Communication

a. Quarterly/ Half yearly/ Annual results are regularly submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the Listing Regulations requirements and are published in the newspapers. The financial results are displayed on the Company's website i.e. www.sspower.com

b. Newspapers wherein results normally published : Financial Express (English - all India Edition) & Maalai Sudar (Tamil , the regional language)

c. Any website, where displayed : www.sspower.com

d. Whether website also displays official news releases : NO

e. The Company has maintained a functional website [www.sspower.com] containing basic information about the Company e.g. details of its business, financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc.

f. Presentations made to institutional investors or to the analysts:
No presentation to any institutional investors or analysts has been made during the financial year ended 31st March 2018.

9. General Shareholder Information:

(i)	Annual General Meeting Date and Time Venue	Wednesday, September 19, 2018, 11:00 AM Registered Office: Plot No 14, CMDA Industrial Area Part-II, Chithamanur Village, Maraimalai Nagar – 603209. Kancheepuram District. Tamilnadu
(ii)	Financial Calendar (2017-18)	April 1, 2017 to March 31, 2018
(iii)	Date of Book Closure	Monday, September 17, 2018 to Wednesday, September 19, 2018
(iv)	Dividend Payment Date	No Dividend has been recommended by the Board of Directors of the Company for the year.
(v)	Listing on Stock Exchanges and Stock Code	National Stock Exchange of India Limited (NSE) – Scrip Name : S&S POWER BSE Limited (BSE) – Scrip Code : 517273
(vi)	Listing Fees	Annual Listing Fees for the Financial Year 2017-2018 have been paid to the above Stock Exchanges.
(vii)	DEMAT ISIN No	INE902B01017
(viii)	Market Price Data	Your Company's Trading of Shares in both the exchanges has been suspended due to penal reasons. Steps are already taken to revoke the suspension of trading of shares in both the exchanges.
(ix)	Performance in Comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.	Not Applicable
(x)	In case of Suspension of Trading, the Director's report shall explain the reasons thereof	The same has been duly reported in the Director's Report.
(xi)	Registrar to an Issue and Share Transfer Agents	M/s. GNSA INFOTCH LIMITED, STA Department, Nelson Chambers, Fourth Floor, F-Block, No: 115, Nelson Manickam Road, Aminthakarai, Chennai – 600 029. Tamilnadu.
(xii)	Share Transfer System	Requests for Share transfers received in Physical form, are processed by the Share Transfer Agent, and the share certificates are returned within a period of fifteen days from the date of receipt, subject to the documents are being valid, complete and accurate in all respects. Stakeholders' Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect transfer/transmission, name deletion, renewal of shares, duplicate, etc.

(xiii) **Distribution of Shareholding as on 31st March 2018**

Slab of Number of Shareholding	Shareholders		Shares	
	Number	Percentage (%)	Number	Percentage (%)
Upto 5000	19932	96.38	17657650	28.48
5001-10000	438	2.12	3413550	5.51
10001-20000	167	0.81	2471570	3.99
20001-30000	52	0.25	1339530	2.16
30001-40000	19	0.09	660000	1.06
40001-50000	15	0.07	693790	1.12
50001-100000	34	0.16	2415920	3.90
Greater than 100001	24	0.12	33347990	53.79
Total	**20681**	**100.00**	**62000000**	**100.00**

(xiv) **Categories of Shareholding Pattern as on 31st March 2018**

Category	Shareholders		Shares	
	Number	Percentage (%)	Number	Percentage (%)
Promoters	15	0.07	30,86,988	49.79
Mutual Funds & UTI	8	0.04	26,088	0.42
Financial Institution / Bank / Ins. / Govt.	6	0.03	75,926	1.22
Foreign Institutional Investors	3	0.01	3,900	0.06
Corporates	173	0.84	90,475	1.46
Individuals/HUF	20,445	98.86	28,98,680	46.75
NRIs / OCBs	27	0.13	17,136	0.28
Others	4	0.02	807	0.01
Total	**20,681**	**100.00**	**62,00,000**	**100.00**

(xv) **Dematerialization of Shares**

As on March 31, 2018 the details of the shares of the Company held in physical and demat form are given below:

Particulars	No. of Shares	% to the Capital
Shares held in Physical Form	1421038	22.92
Shares held in DEMAT Form	-	-
NSDL (A)	4368184	70.45
CDSL (B)	410778	6.63
Total	**6200000**	**100.00**

(xvi) **Outstanding GDRs / Warrants and Convertible Instruments**

There are no outstanding GDRs / Warrants and Convertible Instruments as at March 31, 2018.

(xvii) **Commodity price risk or foreign exchange risk and hedging activities**

There no such risk in the company. The Company does not have dealt with hedging activities. Hence the same is not applicable.

(xviii) **Plant Location:**

Plot No 14, CMDA Industrial Area Part-II, Chithamanur Village, Maraimalai Nagar – 603209. Kancheepuram District. Tamilnadu.
Tel: 044 4743 1625, Email : investor@sspower.com, sales@sspower.com

(xix) **Address for Correspondence**

Shareholder correspondence should be addressed to the Company's Registrar and Transfer Agents:

M/s. GNSA INFOTCH LIMITED, STA Department,
Nelson Chambers, Fourth Floor, F-Block,
No: 115, Nelson Manickam Road, Aminthakarai, Chennai – 600 029. Tamilnadu.
Ph : 044 4296 2025, Email : sta@gnsaindia.com

Investors may also write or contact Company Secretary and Compliance officer at:

Plot No 14, CMDA Industrial Area Part-II, Chithamanur Village, Maraimalai Nagar – 603209. Kancheepuram District. Tamilnadu.
CIN: L31200TN1975PLC006966
Tel: 044 4743 1625, Email: investor@sspower.com, sales@sspower.com

10. Other Disclosures

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

During the financial year under review, there were no materially significant related party transactions with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are entered intobased on business exigencies such as synergy in operations, profitability, market shar1enhancement etc. and are intended to further the Company's interests.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.

c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has a 'Whistle Blower Policy'/ 'Vigil Mechanism' in place, details of which have been furnished in the Board of Directors' Report. The Board of Directors affirms and confirms that no personnel has been denied access to the Audit Committee.

d. Details of compliance with mandatory requirements and adoption of the non mandatory requirements:

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed herein.

e. Web link where policy for determining 'material' subsidiaries is disclosed:
http:// www.sspower.com

f. Web link where policy on dealing with related party transactions:

http:// www.sspower.com

g. Disclosure of commodity price risks and commodity hedging activities:

Not applicable.

11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.

The Company has complied with the requirement of corporate governance report of sub paras (2) to (10) of the Schedule V of the Listing Regulations.

12. Adoption of the discretionary requirements as specified in Part E of the Schedule II of the Listing Regulations

a. The Board:

The Company does not defray any expenses of the Chairman's Office.

b. Shareholder Rights:

The Company's quarterly and half-yearly results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members. Quarterly/ Half yearly/ Annual results of the Company are displayed on the website of the Company i.e. www.sspower.com

c. Audit qualifications:

The details of Audit Qualifications and the respective Management Comments are briefed in the Director's Report.

d. Separate posts of Chairman and CEO:

The Board of Directors of the Company comprises of the Non-Executive Chairman. The Company does not have any designated CEO as on the date of report.

e. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

13. Disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses(b) to (i) of sub - regulation (2) of regulation 46

The Company has complied with the corporate governance requirements specified in regulation of 27 and clauses (b) to (i) of sub - regulation (2) of regulation 46.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT UNDER SCHEDULE V (F) OF THE LISTING REGULATIONS

As confirmed by the R & STA, M/s. GNSA Infotech Ltd., the Company does not have any Demat Suspense Account/Unclaimed Suspense Account.

DECLARATION BY THE MANAGING DIRECTOR UNDER SCHEDULE V (D) OF THE LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the provisions of sub-clause (II) E of Clause 49 of the Listing Agreement and Regulation 26(3) of Listing Regulations with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the year ended 31st March 2018.

For and on behalf of the Board of Directors and
Senior Management Personnel

Ashok Kumar Vishwakarma
Managing Director
DIN: 05203223

Date : May 29, 2018
Place : Chennai

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

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Ind-AS financial statements of **S&S Power Switchgear Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these Standalone Ind-AS financial statements that give a true and fair view of the financial position, financial performance including Other comprehensive income, cash flows and changes in equity of the Company in accordance with 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 standalone Ind-AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Other Matter

The comparative financial information for the transition date opening balance sheet as at 1st April, 2016 and also the financial information for the period ended 31st March, 2017, prepared in accordance with Ind AS included in these standalone financial statements is based on the previously issued statutory 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 those Standalone Financial Statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of 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 our knowledge and belief were necessary for the purposes of our audit.
   - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   - (c) The Balance Sheet, the Statement of Profit and Loss(including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   - (d) In our opinion the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
   - (e) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors 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 internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **'Annexure B'**; and
   - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind-AS financial statements - Refer note 40 to the standalone Ind-AS financial statements.

(ii) The Company 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
M.No.: 106533

Place: Chennai
Date: May 29, 2018

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets;

(b) Fixed Assets were physically verified by Management during the year and no material discrepancies were noticed during such verification.

(c) According to the information and explanations given to us and the record examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.

(ii) The inventory has been physically verified by the Management at reasonable intervals during the year and no material discrepancies have been noticed on such verification;

(iii) The Company has granted unsecured loans, to the parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) The aforesaid loans and interest are repayable on demand. The Company has not demanded the repayment of the said loans and hence there does not arise a situation for commenting on the regularity of repayment of principal and payment of interest.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(iv) Attention is invited to Note 7.02 & 8.01 of the financial statements detailing the Investments made by the company in its subsidiaries and loans and advances given by the company to its subsidiaries and also the resolutions proposed in the ensuing Annual General Meeting seeking approval of members for such loans, advances and investments. In our opinion, such loans, advances and investments made by the company are not in consonance with the provisions of Section of 185 and Section 186 of the Companies Act, 2018.

(v) According to information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified;

(vi) According to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2016, and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013;

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, Income tax, Sales Tax, Service Tax, Duty of Excise, Duty of Customs, Value added tax, Goods and Service Tax and other material statutory dues as applicable with appropriate authorities. However, we noticed delays in such remittances extending to maximum of 60 days.

(b) There were no undisputed amounts payable in respect of provident fund, Sales Tax, Service Tax, value added tax, goods and service tax and other material statutory dues in arrears as at 31stMarch, 2018 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, excise duty and customs duty as at 31st March, 2018 which have not been deposited on account of a dispute, are as follows:. (Refer note 40 to the Financial Statements).

(Rs. in Thousands)

S.No.	Nature of Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
1.	Central Excise Act, 1944	Excise Duty	34,190*	1993 to 1997	CESTAT - Chennai
2.	Foreign Trade Policy	Differential Custom Duty	17,247	1998 to 1999	DGFT – Delhi
3.	Income Tax Act, 1961	Tax on waiver of principal portion of loans by bankers	9,298	AY 2007-08	ITAT – Chennai

* Rs. 5,000 paid as deposit.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not borrowed from financial institutions, bank or government as at the balance sheet date. The Company has not issued any debentures. Therefore, the provisions of clause 3 (viii) of the order are not applicable to the Company;

(ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company;

(x) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;

(xi) In our opinion and according to Information and explanations given to us, the managerial remuneration has been paid in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013;

(xii) The Company is not a Nidhi company and therefore the provisions of clause 3 (xii) of the order are not applicable to the company;

(xiii) In our opinion and according to information and explanations given to us, the company is in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore clause 3(xiv) is not applicable to the Company;

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company;

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Vijay Mehta
Partner
M.No.: 106533

Place: Chennai
Date: May 29, 2018

Annexure - B 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 Company”) as of 31stMarch, 2018 in conjunction with our audit of the Standalone Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 Company has, in all material respects, "internal financial controls over financial reporting and such internal financial controls over financial reporting 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.

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

Vijay Mehta
Partner
M.No.: 106533

Place: Chennai
Date: May 29, 2018

S&S POWER SWITCHGEAR LIMITED

STANDALONE BALANCE SHEET AS AT 31st MARCH 2018

(Rs. in Thousands)

Sl.No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS					
(1)	**Non-current assets**				
	(a) Property, Plant and Equipment	5	27,789	29,001	31,416
	(b) Other Intangible assets	6	5	11	16
	(c) Investments in Subsidiaries and Joint Ventures	7	1,87,420	1,57,460	1,57,460
	(d) Financial Assets				
	(i) Loans and Deposits	8	1,22,185	1,11,534	89,430
	(e) Deferred tax assets (Net)	9	5,900	7,291	6,372
	(f) Other Non-current assets	10	247	493	740
(2)	**Current assets**				
	(a) Inventories	11	1,794	3,696	5,904
	(b) Financial Assets				
	(i) Trade receivables	12	23,183	29,435	28,633
	(ii) Cash and cash equivalents	13	225	546	271
	(iii) Bank balances other than (ii) above	14	248	306	299
	(iv) Loans	15	3,203	2,349	2,314
	(c) Current Tax Assets (Net)	16	6,232	7,995	7,171
	(d) Other current assets	17	5,983	8,736	13,837
	Total Assets		**3,84,414**	**3,58,853**	**3,43,863**
EQUITY AND LIABILITIES					
	Equity				
	(a) Equity Share capital	18	62,000	62,000	62,000
	(b) Other Equity	19	1,29,837	1,39,518	1,50,136
	Liabilities				
(1)	**Non-current liabilities**				
	(a) Provisions	20	19,276	19,924	18,731
(2)	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	21	1,47,569	1,10,563	84,257
	(ii) Trade payables	22	14,688	14,227	15,136
	(b) Other current liabilities	23	10,962	12,521	12,226
	(c) Provisions	24	82	100	1,377
	Total Equity and Liabilities		**3,84,414**	**3,58,853**	**3,43,863**

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

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

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	25	7,036	4,131
II	Other Income	26	33,367	25,084
III	Total Income (I+II)		**40,403**	**29,215**
IV	EXPENSES			
	Cost of materials consumed	27	4,354	3,789
	Changes in Inventories of Finished goods and work-in-progress	28	1,692	(298)
	Excise Duty recovered on sales		47	747
	Employee benefits expense	29	16,167	13,597
	Finance costs	30	8,738	6,187
	Depreciation and Amortization expense	31	1,476	1,451
	Other expenses	32	17,202	14,685
	Total expenses (IV)		**49,676**	**40,158**
V	Profit/(loss) before tax (III-IV)		(9,273)	(10,943)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Tax relating to prior years		-	(28)
	(3) Deferred tax	35	(1,137)	744
VII	Profit/(loss) for the year (V-VI)		**(10,410)**	**(10,227)**
VIII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans	34	985	(566)
	A (ii) Income tax relating to items that will not be reclassified to profit or loss	35	(256)	175
IX	**Total other comprehensive income (A (i - ii))**		**729**	**(391)**
X	**Total comprehensive income for the year (VII + IX)**		**(9,681)**	**(10,618)**
XI	Earnings per equity share of face value of Rs. 10 each			
	- Basic and Diluted	33	(1.68)	(1.65)

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

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

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 2016-17	-
Balance as at 31st March, 2017	**62,000**
Changes in equity share capital during the year 2017-18	-
Balance as at 31st March, 2018	**62,000**

b. Other Equity (Note No.19)

(Rs. in Thousands)

Particulars	Reserves and Surplus			Total Equity
	Securities Premum	General Reserve	Retained Earnings	
As at 1st April, 2016	1,84,000	47,812	(81,676)	1,50,136
Profit for the year 2016-17			(10,227)	(10,227)
Remeasurement of Net defined benefit liability/ (Asset) (Net of Tax)			(391)	(391)
Total comprehensive income for the year	-	-	(10,618)	(10,618)
As at 31st March, 2017	1,84,000	47,812	(92,294)	1,39,518
Profit for the year 2017-18			(10,410)	(10,410)
Remeasurement of Net defined benefit liability/ (asset) (Net of Tax)			729	729
Total comprehensive income for the year	-	-	(9,681)	(9,681)
As at 31st March, 2018	1,84,000	47,812	(101,975)	129,837

As per our attached report of even date

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

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	(10,410)	(10,227)
Adjustments for		
Income tax expense	-	28
Finance costs	8,738	6,187
Depreciation and amortisation expense	1,476	1,451
Provisions(Benefit) for Deferred Taxes	1,393	(919)
Provisions - Others	(1,051)	(327)
Interest income	(12,263)	(4,363)
Fair valuation of Lease rental deposit	247	247
Remeasurement of defined benefit plan (net of tax)	729	(391)
(Gain)/loss on disposal of property, plant and equipment	19	(881)
Operating profit before working capital changes	**(11,122)**	**(9,195)**
Movements in working capital		
(Increase)/decrease in inventories	1,902	2,209
(Increase)/decrease in trade receivables	6,252	(802)
(Increase)/decrease in other assets	4,515	4,278
Increase /(decrease) in trade payables	461	(910)
Increase /(decrease) in other liabilities	(1,417)	332
Cash generated from operations	**591**	**(4,088)**
Direct taxes paid (net)	-	(28)
Net cash from operating activities (A)	**591**	**(4,116)**
B Cash flows from investing activities		
Payment for Property, Plant and Equipment	(293)	(749)
Proceeds from disposals of Property, Plant and Equipment	15	2,600
Purchase of investments	(29,961)	-
Loans to subsidiaries	(11,262)	(21,934)
Interest received	12,263	4,363
Proceeds received from bank deposit	57	-
Investment in bank deposit	-	(7)
Net cash (used in) investing activities (B)	**(29,181)**	**(15,727)**

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
C Cash flow from financing activities		
Borrowings from related parties	37,007	26,306
Interest paid	(8,738)	(6,187)
Net cash (used in) financing activities (C)	**28,269**	**20,119**
NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**(321)**	**276**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts and deposit accounts	17	165
Cash on hand	529	105
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**546**	**270**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts and deposit accounts	137	17
Cash on hand	88	529
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**225**	**546**

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 standalone financial statements for the year ended March 31, 2018
All amounts are Rs. in Thousands unless otherwise stated

1. General Information

S & S Power Switchgear Limited (the 'Company') 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 Bombay Stock Exchange and the National Stock Exchange. The Company is engaged in designing, manufacturing and selling new circuit breaker products, servicing of old installed base of circuit breakers.

The Company has its registered office & manufacturing plant located at Maraimalai Nagar (near Chennai) Tamil Nadu India.

2. Basis of Preparation

A. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act 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 29th May 2018.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

C. Current and non-current classification

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for 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.

All other assets are classified as non-current.

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.

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 realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

D. 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:

Item	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

E. Use of estimates and judgements

A liability is treated as current when:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities on the date of financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

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:

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.

Intangibles

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

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.

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.

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.

Insurance claims

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

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 34 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 40 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

F. Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

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, maximising the use of relevant observable inputs and minimising 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 36 – financial instruments;

3. Significant Accounting Policies

3.1 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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.

Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognized in the Statement of Profit or Loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when the asset is de-recognised.

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 as at 1stApril 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 5).

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided using the straight-line method based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, and is generally recognized in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. In the case of lease hold improvements, depreciation is provided over primary lease period or useful life of the asset whichever is less. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the property, plant and equipment have been determined by the Management based on the technical assessment / evaluation:

Category of property, plant and equipment	Useful Life in Years	
	As per Schedule II	As per Company's Assessment
Buildings	30	30
Electrical installations	10	3
Furniture and fittings	10	3
Equipment and appliances	5	7
Plant and Machinery	15	6
Computers	3	6

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). Individual assets costing less than Rs.10,000 are fully depreciated in the year of purchase.

Leasehold rights for land are amortized on a straight line basis over the primary lease period.

3.2 Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

i. Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any.

ii. Intangible assets are amortized on a straight-line basis as under:

   a. Software costing up to Rs. 25,000/- is amortized out in the year of acquisition. Other Software acquired is amortized over its estimated useful life of 5 years;

   b. Intellectual Property is amortized over its estimated useful life of 2 years

   The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and Development expenses

Expenditure on research activities is charged to Statement of Profit and Loss in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- Technical feasibility of completing the intangible asset to show its availability for use or sale;
- Intention to complete the intangible asset and its use or sell;
- Ability to use or sell;
- How it will generate future economic benefits;
- Availability of technical, financial and other resources to complete the development phase; and
- Ability to measure reliably the expenditure attributable to development phase.

The amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is charged to Statement of Profit and Loss in the period in which the same are incurred.

Subsequent to its initial recognition, the development expenditure recognised as an assets are reported at cost less accumulated amortization and impairment loss, on the same basis as intangible assets that are acquired separately.

De-recognition of intangible assets

Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is de-recognized.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see Note 6).

3.3 Impairment of Tangible and Intangible assets

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

An intangible asset not yet available for use is tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

3.4 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible asset, property, plant and equipment and investment properties are no longer amortized or depreciated.

Foreign currency transactions and balances

Transactions in foreign currency are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

At each balance sheet date, the foreign currency monetary items are reported at the functional currency spot rates of exchange. Exchange differences that arise on settlement or on translation of monetary items are recognized as income or expenses in the Statement of Profit and 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.

Non-monetary items which are carried at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Forward exchange contracts entered into to hedge and manage foreign currency exposures relating to highly probable transactions or firm commitments are marked to market and resulting gains or losses are recorded in the statement of profit and loss.

3.5 Financial Instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- fair value through OCI (FVOCI – debt investment);
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss. The Company transfers amounts from OCI to retained earnings when the relevant equity securities are derecognized.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Companyneither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships; the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

3.6 Inventories

Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a First in First Out (FIFO) / weighted average basis respectively (as mentioned below), after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, reduction and conversion costs and other costs incurred in bringing them to their present location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate proportion of fixed production overheads based on normal operating capacity and, where applicable, excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Items of Inventory are valued on the principle laid down by the Ind AS 2 on Inventories on the basis given below:

(a) Raw Materials, Stores & Spares (that are not capitalized) and Fuel	Lower of cost (determined on weighted average basis) and net realizable value.
(b) Packing Material	Lower of cost (determined on FIFO basis) and net realizable value.
(c) Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(d) Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity and excise duty.

3.7 Cash and cash equivalents

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

For the purpose of presentation in the Statement of Cash flows, Cash and cash equivalents comprises cash at bank and on hand, demand deposits and short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized of the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for temporary difference associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognized as apart 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.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

(a) Deductible temporary differences;

(b) The carry forward of unused tax losses; and

(c) The carry forward of unused tax credits.

The Company reviews the same at each reporting date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current and deferred tax for the year

Current and deferred tax are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9 Revenue recognition

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.

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.

Revenue from the sale of goods is inclusive of excise duty and is net of returns, sales tax / value added tax, trade discounts and volume rebates. It is measured at the fair value of the consideration received or receivable. This inter alia involves discounting of the consideration due, to the present value, if payment extends beyond the normal credit terms.

Income from Services

Revenue from service contracts are recognized net of service tax or GST as the case may be. When all 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

Rent

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

Export incentive

Export incentive available under prevalent schemes are recognised 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.

Dividend and Interest income

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

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.

3.10 Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds and approved superannuation schemes which are defined contribution plans are recognized as an employee benefit expense and charged to the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated for each plan by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. An unrecognized past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Retirement and other employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentive, paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.

ii. A retirement benefit in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.

iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.

iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are recognized immediately in the statement of other comprehensive income.

3.11 Provisions (other than for employee benefits) and Contingencies:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.

Contingent liabilities

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;

A possible obligation arising from past events, unless the probability of outflow of resources is remote.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.13 Leases

A lease a classified at the inception date as a finance lease or as an operating lease.

Finance Leases

Leases of property, plant and equipment that transfer to the Company substantially all the risk and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Leases

Assets held under leases that do not transfer the Company substantially all the risk and rewards of ownership (i.e. Operating leases) are not recognized in the Company's Balance Sheet.

Payment made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.14 Earnings per share

Basic earnings per share are calculated by dividing the profit/ (loss) from continuing operations and the total profit/ (loss)attributable to equity shareholders(after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit/(loss) from continuing operations and the total profit/(loss) attributable to equity shareholders by the weighted average number of shares outstanding during the period after adjusting the effects of all dilutive potential equity shares.

3.15 Cash Flow Statement

The Cash Flow Statement is prepared by using the “indirect method” set out in Ind AS 7 on “Cash Flow Statements” and presents the cash flows during the period by operating, investing and financing activities of the Company.

4. Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted the Indian Accounting Standards (Ind AS) and adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. 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 1 to 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April, 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Explanation of transition to Ind AS

A. In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

1. Property, Plant and Equipment and Intangibles Assets exemption:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2. 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) unless there is objective evidence that those estimates were in error.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

4. Impairment of Financial Assets

Ind AS 101 requires an entity to apply the Ind AS requirements retrospectively if it is practicable without undue cost and effort to determine the credit risk that debt financial instruments where initially recognised. The company has measured impairment losses on financial assets as on the date of transition i.e. 1st April, 2016

B. 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) Reconciliation of Balance Sheet as at 1st April, 2016

(Rs. in Thousands)

Particulars	Notes	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		**31,416**	**-**	**31,416**
Other Intangible assets		16	-	16
Investments in Subsidiaries and Joint Ventures	A	1,69,470	(12,010)	1,57,460
Financial Assets:		**-**	**-**	**-**
(i) Non Current Loans	G	90,170	(740)	89,430
Deferred tax assets (net)	E	-	6,372	6,372
Other non-current assets	G	-	740	740
Total non current assets		**2,91,072**	**(5,638)**	**2,85,434**
Current assets				
Inventories		5,904	-	5,904
Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade receivables	D	28,723	(90)	28,633
(iii) Cash and cash equivalents		271	-	271
(iv) Bank balances other than (iii) above		299	-	299
(v) Loans		2,314	-	2,314
Current Tax Assets (Net)		7,171	-	7,171
Other current assets		13,837	-	13,837
Total current assets		58,519	(90)	58,429
TOTAL ASSETS		**3,49,591**	**(5,728)**	**3,43,863**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		62,000	-	62,000
Other equity	(iv)	1,55,903	(5,767)	1,50,136
Total equity		**2,17,903**	**(5,767)**	**2,12,136**
Liabilities				
Non current liabilities				
Provisions		18,731	-	18,731
Other non current financial liabilities		-	-	-
Total non current liabilities		**18,731**	**-**	**18,731**
Current liabilities				
Financial liabilities				
Trade payables		15,136	-	15,136
Other Current Financial Liabilities		84,257	-	84,257
Other Current Liabilities	H	12,187	39	12,226
Provisions		1,377	-	1,377
Deferred Income				
Total Current liabilities		**1,12,957**	**39**	**1,12,996**
Total liabilities		**1,31,688**	**39**	**1,31,727**
TOTAL EQUITY AND LIABILITIES		**3,49,591**	**(5,728)**	**3,43,863**

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

(Rs. in Thousands)

Particulars	Notes	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		29,001	-	29,001
Other Intangible assets		11	-	11
Investments in Subsidiaries and Joint Ventures	A	1,69,469	(12,009)	1,57,460
Financial Assets				
(i) Non Current Loans	G	1,12,069	(535)	1,11,534
Deferred tax assets (net)	E	-	7,291	7,291
Other non-current assets	G	-	493	493
Total non current assets		**3,10,550**	**(4,760)**	**3,05,790**
Current assets				
Inventories		3,696	-	3,696
Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	D	29,525	(90)	29,435
(iii) Cash and cash equivalents		546	-	546
(iv) Bank balances other than (iii) above		306	-	306
(v) Loans		2,349	-	2,349
Current Tax Assets (Net)		7,995	-	7,995
Other current assets		8,736	-	8,736
Total current assets		**53,153**	**(90)**	**53,063**
TOTAL ASSETS		**3,63,703**	**(4,850)**	**3,58,853**
II. EQUITY AND LIABILITIES				
Equity				
Equity share capital		62,000	-	62,000
Other equity	(iv)	1,44,680	(5,162)	1,39,518
Total equity		**2,06,680**	**(5,162)**	**2,01,518**
LIABILITIES				
Non current liabilities				
Provisions		19,924	-	19,924
Total non current liabilities		**19,924**	**-**	**19,924**
Current liabilities				
Financial liabilities				
Trade payables		14,227	-	14,227
Other Current Financial Liabilities		1,10,563	-	1,10,563
Other Current Liabilities	H	12,209	312	12,521
Provisions		100	-	100
Deferred Income				
Total Current liabilities		**1,37,099**	**312**	**1,37,411**
Total liabilities		**1,57,023**	**312**	**1,57,335**
TOTAL EQUITY AND LIABILITIES		**3,63,703**	**(4,850)**	**3,58,853**

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

(Rs. in Thousands)

Particulars	Notes	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from Operations (Gross)		3,384	747	4,131
Other income	G	24,879	205	25,084
Total Income		**28,263**	**952**	**29,215**
Expenses				
Cost of materials consumed		3,789	-	3,789
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(298)	-	(298)
Excise Duty	B	-	747	747
Employee Benefits Expenses	C	14,163	(566)	13,597
Finance costs		6,187	-	6,187
Depreciation and Amortization Expenses		1,451	-	1,451
Other Expenses	D,H	14,165	520	14,685
Total Expenses		**39,457**	**701**	**40,158**
Profit/(loss) before Tax		**(11,194)**	**251**	**(10,943)**
Tax expense:				
1. Current Tax		-	-	-
2. Tax relating to prior years		(28)	-	(28)
3. Deferred Tax	E	-	744	744
Profit for the period		**(11,222)**	**995**	**(10,227)**
Other comprehensive income				
(i) Items that will not be subsequently reclassified to profit or loss				
- Remeasurement of defined benefit plans	C	-	(566)	(566)
(ii) Income tax related to items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans	C	-	175	175
Other comprehensive income		-	(391)	(391)
Total comprehensive income for the period		**(11,222)**	**604**	**(10,618)**

Reconciliation of total comprehensive income

(Rs. in Thousands)

Particulars	Note	For the year ended 31st March 2017
Net Profit as per Previous GAAP		(11,222)
Add/(Less):		
Adjustment for Lease Equalization	H	(273)
a) Interest income on Fair value of Lease rental deposit	G	205
b) Amortization of Lease Rental Deposit	G	(247)
c) Tax adjustments on IND AS Convergence	E	919
Total Comprehensive income as per Ind AS		**(10,618)**

(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		2,06,680	2,17,903
Interest income on Fair value of Lease rental deposit	G	205	-
Amortization of Lease Rental Deposit	G	(247)	-
Fair value measurement of investment in Joint Venture and Subsidiaries	A	(12,010)	(12,010)
Adjustment for Lease Equalization	H	(311)	(39)
Impairment allowance of trade receivables due to expected credit loss model	D	(90)	(90)
Deferred tax	E	7,291	6,372
Total Impact		(5,162)	(5,767)
Total Equity as per Ind AS		**2,01,518**	**2,12,136**

(v) Adjustments to Statement of Cash Flows

On account of transition to Ind AS , there is no material adjustment to the statement of Cash flows as on 31st March, 2017.

Notes to reconciliations:-

Fair value of investments in Subsidiaries, Joint

A. 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.

B. Excise Duty

Under the previous GAAP, revenue from sale of goods was presented net of the excise duty.

Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017 by INR 745 Thousands. The total comprehensive income for the year remains unchanged.

C. Remeasurement of defined benefit liabilities

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

Under Ind AS, the actuarial gains and losses form part of remeasurement of the 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.

(Rs. in Thousands)

Particulars	As at 31st March, 2017
Actuarial gains/(loss)	(566)
Tax effect thereon	175

D. 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.

E. 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 tax 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.

F. 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.

G. 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.

H. 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.

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

5. Property, Plant and Equipment

(Rs. in Thousands)

Cost or deemed cost	Land	Building	Plant and Equipment	Office Equipment	Computers	Total
Balance as at 1st April, 2016	**14,998**	**14,664**	**1,407**	**88**	**259**	**31,416**
Additions	-	-	689	18	42	749
Disposals/Adjustments	-	-	(1,719)	-	-	(1,719)
Balance as at 31st March, 2017	**14,998**	**14,664**	**377**	**106**	**301**	**30,446**
Additions	-	-	-	1	292	293
Disposals	-	-	-	-	(34)	(34)
Balance as at 31st March, 2018	**14,998**	**14,664**	**377**	**107**	**559**	**30,705**

Accumulated Depreciation	Land	Building	Plant and Equipment	Office Equipment	Computers	Total
Balance as at 1st April, 2016	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense	-	1,276	102	16	51	1,445
Eliminated on disposals of assets	-	-	-	-	-	-
Balance as at 31st March, 2017	**-**	**1,276**	**102**	**16**	**51**	**1,445**
Depreciation expense	-	1,276	103	19	73	1,471
Eliminated on disposals of assets	-	-	-	-	-	-
Balance as at 31st March, 2018	**-**	**2,552**	**205**	**35**	**124**	**2,916**

Carrying amount/Net block	Land	Building	Plant and Equipment	Office Equipment	Computers	Total
Balance as at 1st April, 2016	**14,998**	**14,664**	**1,407**	**88**	**259**	**31,416**
Balance as at 31st March, 2017	**14,998**	**13,388**	**275**	**90**	**250**	**29,001**
Balance as at 31st March, 2018	**14,998**	**12,112**	**172**	**72**	**435**	**27,789**

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 Depreciation / Amortisation	Net Block
	As at 1st April, 2016		
Land	14,998	-	14,998
Building	38,210	23,546	14,664
Plant and Equipment	2,201	794	1,407
Furniture and Fixtures	58	58	-
Office Equipment	111	23	88
Electrical Installations & Equipment	14	14	-
Computers	315	56	259
	55,907	**24,491**	**31,416**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

6. Intangible assets

(Rs. in Thousands)

Cost or deemed cost	Softwares	Total
Balance as at 1st April, 2016	**16**	**16**
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2017	**16**	**16**
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2018	**16**	**16**

Accumulated amortisation	Softwares	Total
Balance as at 1st April, 2016	**-**	**-**
Amortisation expense	5	5
Eliminated on disposals of assets	-	-
Balance as at 31st March, 2017	**5**	**5**
Amortisation expense	6	6
Eliminated on disposals of assets	-	-
Balance as at 31st March, 2018	**11**	**11**

Carrying amount	Softwares	Total
Balance as at 1st April, 2016	**16**	**16**
Balance as at 31st March, 2017	**11**	**11**
Balance as at 31st March, 2018	**5**	**5**

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 standalone financial statements for the year ended March 31, 2018 contd...

7. Investments in Subsidiaries and Joint Venture

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unquoted			
Investment in Subsidiaries: (fully paid)			
(i) Acrastyle Power (India) Limited	1,28,272	1,28,272	1,28,272
(ii) Acrastyle EPS Technologies Limited	500	500	500
(iii) S&S Power Switchgear Equipment Limited	58,648	-	-
Investment in Joint Venture: (fully paid)			
(i) S&S Power Switchgear Equipment Limited	-	28,688	28,688
Total	**1,87,420**	**1,57,460**	**1,57,460**
Aggregate amount of quoted investments	-	-	-
Aggregate amount of unquoted investments	**1,87,420**	**1,57,460**	**1,57,460**
Aggregate amount of impairment in value of investments	-	-	-

7.01 Name of the Investee and percentage of shares held in Investee Company

Non Trade Equity Investments in Subsidiaries & Joint Venture	No. of Shares		
	As at 31st March 2018	As at 31 March 2017	As at 1st April 2016
a) Subsidiaries:			
- Acrastyle Power India Limited - (Share 67%)	39,74,950	39,74,950	39,74,950
- Acrastyle EPS Technologies Limited (Share 100%)	50,000	50,000	50,000
- S&S Power Switchgear Equipment Limited (Share 100%)	12,50,000	-	-
b) Joint Venture:			
- S&S Power Switchgear Equipment Limited (Share 51%)	-	6,37,500	6,37,500
Grand Total	**52,74,950**	**46,62,450**	**46,62,450**

7.02

The Company executes its businesses through its subsidiaries in India and United Kingdom. The Indian subsidiaries are Acrastyle Power (India) Limited (in which 67% is held by your Company and 33% is held by a trust in which the promoter director is a beneficiary) and S&S Power Switchgear Equipment Limited (which was a Joint Venture till 31st December 2017 after which your company acquired the balance stake from the JV partner). The investments and Loans advanced to these subsidiaries are in a continuing nature and the approval of members is sought under section 185 & 186 of the Companies Act 2013 to re-confirm the permission given under the erstwhile Companies Act 1956.

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

8. Loans & Deposits (Non-current)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) EMD's and Security Deposits:			
Earnest Money Deposits	2,019	1,929	1,924
Security Deposits	1,381	1,029	835
Other Deposits	239	239	239
Deposits against leased premises	2,041	2,116	2,846
Less : Provision for doubtful deposits	(2,945)	(2,945)	(996)
Total (a)	**2,735**	**2,368**	**4,848**
(b) Loan to Subsidiaries including interest accrued thereon - (See Note below)			
(i) Acrastyle Power (India) Limited	73,053	69,377	65,709
(ii) S&S Power Switchgear Equipment Limited	67,078	-	-
Less: Provision on above	(20,681)	(20,681)	(20,681)
Total (b)	**1,19,450**	**48,696**	**45,028**
(c) Loan to Joint Venture including interest accrued thereon - (See Note below)			
(i) S&S Power Switchgear Equipment Limited	-	60,470	39,554
Total (a)+(b)+(c)	**122,185**	**111,534**	**89,430**

8.01

The Company has extended interest bearing loans to its subsidiaries Acrastyle Power (India) Limited and S&S Power Switchgear Equipment Limited for supporting their business operations. The loans and advances are strategic in nature and approval of the members is sought in the ensuing Annual General Meeting seeking ratification of such loans and advances as required under Section 185 and Section 186 of the Companies Act, 2013.

9. Deferred tax Assets (net)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Liabilities allowable on payment basis	5,876	7,263	6,344
Expected credit loss	24	28	28
Total	**5,900**	**7,291**	**6,372**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

9.01 Movement in Deferred tax Assets(net)

(Rs. in Thousands)

Particulars	Liabilities allowable on payment basis	Expected credit loss	Total
Balance at April 01, 2016	**6,344**	**28**	**6,372**
(Charged)/Credited to profit or loss	744	-	744
(Charged)/Credited to other comprehensive income	176	-	176
Balance at March 31, 2017	**7,264**	**28**	**7,292**
(Charged)/Credited to profit or loss	(1,132)	(4)	(1,136)
(Charged)/Credited to other comprehensive income	(256)	-	(256)
Balance at March 31, 2018	**5,876**	**24**	**5,900**

10. Other Non - Current Assets

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Prepaid - Lease Rent	247	493	740
Total	**247**	**493**	**740**

11. 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	1,794	2,004	4,510
Work in progress	-	1,692	1,394
			-
Total	**1,794**	**3,696**	**5,904**

12. Trade Receivables

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured, considered good	23,273	29,525	28,723
Doubtful	81,080	81,080	81,080
	1,04,353	**1,10,605**	**1,09,803**
Allowance for Bad and doubtful debts	(81,170)	(81,170)	(81,170)
Total	**23,183**	**29,435**	**28,633**

Notes:

1. Trade Receivable includes receivables from Related party - Rs. 20,992 (31st March 2017 - Rs. 29,216, 31st March 2016 - Rs. 26,110)
2. In determining the allowances for doubtful trade receivables the Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

3. Movement in the expected credit loss allowance

(Rs. in Thousands)

Particulars	As at 31st March 2017	As at 31st March 2016
Opening provision	(81,170)	(81,170)
Add: Additional provision made	-	-
Closing provision	**(81,170)**	**(81,170)**

13. Cash & cash equivalents

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cash and cash equivalents			
(i) Cash on hand	88	529	105
(ii) Balances with banks			
In current account	137	17	166
Total	**225**	**546**	**271**

14. Bank balances other than (ii) above

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deposit Accounts with maturity less than 12 months	248	306	299
Total	**248**	**306**	**299**

15. Loans (Current)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31 March 2017	As at 1st April 2016
(Unsecured, considered good, unless stated otherwise)			
Loan to Employees	335	188	194
Inter-corporate deposits	2,868	2,161	2,120
Total	**3,203**	**2,349**	**2,314**

16. Current Tax Assets (Net)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31 March 2017	As at 1st April 2016
Advance Income Tax (Net)	6,232	7,995	7,171
Total	**6,232**	**7,995**	**7,171**

17. Other Current Assets

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31 March 2017	As at 1st April 2016
Advances other than capital advances:			
- Advance to suppliers	679	2,495	4,219
- Advance to employees	(94)	281	349
- Advance to related parties	201	162	1,431
Balance with statutory authorities	5,189	5,000	5,030
Other receivables	8	798	2,808
Total	**5,983**	**8,736**	**13,837**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

18. Share capital

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorised Shares	1,00,000	1,00,000	1,00,000
i. 10,000,000 equity shares of Rs 10/- each			
ii. 1,000,000 preference shares of Rs 100/- each	1,00,000	1,00,000	1,00,000
	2,00,000	**2,00,000**	**2,00,000**
Issued Shares			
i. 6,200,108 equity shares of Rs 10/- each	62,001	62,001	62,001
	62,001	**62,001**	**62,001**
Subscribed and fully paid-up shares			
i. 6,200,000 equity shares of Rs 10/- each	62,000	62,000	62,000
Total	**62,000**	**62,000**	**62,000**

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

Subscribed and Paid up share capital	No. of Shares	(Rs. in Thousands)
Balance as at 1st April,2016	**62,00,000**	**62,000**
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2017	**62,00,000**	**62,000**
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2018	**62,00,000**	**62,000**

18.02 Terms/rights attached to equity shares

(a) The Company has only one class of share referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The Company 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.

(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportionate to the number of equity shares held by the share holders.

(c) There is no change in issued and paid up share capital during the year.

(d) 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.

18.03 Details of shareholders holding more than 5% shares

(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	**-**	**-**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

19. Other Equity

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Securities premium	1,84,000	1,84,000	1,84,000
General Reserves	47,812	47,812	47,812
Retained Earnings	(1,01,975)	(92,294)	(81,676)
Total	**1,29,837**	**1,39,518**	**1,50,136**

19.01 Securities Premium

(Rs. in Thousands)

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

19.02 General Reserve

(Rs. in Thousands)

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

19.03 Retained Earnings

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance as at beginning of the year	(92,294)	(81,676)
Profit for the year	(10,410)	(10,227)
Remeasurement of Net defined benefit liability/(asset) (net of tax)	729	(391)
Balance as at end of the year	**(1,01,974)**	**(92,294)**

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.

20. 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	1,676	2,085	1,074
Provision for other employee benefits	353	592	410
Provision for Customs Duty on Malaysian Exports	17,247	17,247	17,247
Total	**19,276**	**19,924**	**18,731**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

20.01 Provision for Customs Duty on Malaysian Exports

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**

21. Borrowings

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31 March 2017	As at 1 April 2016
Inter Corporate Deposits	1,47,569	1,10,563	84,257
Total	**1,47,569**	**1,10,563**	**84,257**

21.01 Unsecured - repayable on demand

22. Trade payables

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade payables :			
- Dues to micro and small enterprises (Refer note below)	-	-	-
- Other than micro and small enterprises *	14,688	14,227	15,136
Total	**14,688**	**14,227**	**15,136**

* Includes Trade payables to related party Rs.1695 (March 31, 2017: Rs.878 , April 1 2016 : Rs. 706)

Footnotes:

Details of dues to Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprise Development Act 2006.

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);	-	-	-

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
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.	-	-	-
	-	-	-

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.

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

23. Other current liabilities

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Employee dues	1,938	2,246	2,025
Statutory Dues	1,200	1,102	635
Revenue received in advance	88	89	1,805
Other Liabilities	1,013	2,322	1,272
Rental Deposits	6,450	6,450	6,450
Lease Rent Equalization	273	312	39
Total	**10,962**	**12,521**	**12,226**

24. Provisions (Current)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
For Employee benefits			
Provision for employee benefits	82	100	63
Provision for tax (including FBT)	-	-	1,314
Total	**82**	**100**	**1,377**

25. Revenue From Operations

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Products		
Manufactured Goods	7,036	4,131
(Manufactured Goods Include Excise duty of Rs.48, March 31, 2017 : Rs. 745)		
Total	**7,036**	**4,131**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

26. Other Income

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Interest Income		
i. Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	3	7
ICD - Inter-Corporate Deposit	11,440	4,337
Others	819	18
ii. Interest Income on Fair valuation of Lease deposits	244	205
b) Sale of Services		
Corporate Shared Services - ACIL - Facility	4,800	3,600
Corporate Shared Services - Disconnector - Facility	9,600	9,600
c) Other non-operating Income (Net of expenses directly attributable to such income)		
Lease Rental income	6,480	6,453
d) Other gains and losses		
Net gains/(loss) on foreign currency transactions and translation	-	(17)
Net gains/(loss) on disposal of property, plant and equipment	(19)	881
Total	**33,367**	**25,084**

27. Cost of material consumed

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock of Raw Material	2,004	2,819
Add : Purchases	4,144	2,974
Less : Closing Stock of Raw Material	(1,794)	(2,004)
Total	**4,354**	**3,789**

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

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventories at the end of the year		
Work-in-progress	-	1,692
Total	**-**	**1,692**
Inventories at the beginning of the year		
Work-in-progress	1,692	1,394
	1,692	**1,394**
(Increase)/ Decrease in work in progress	**1,692**	**(298)**

29. Employee Benefits Expense

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries, Wages, Bonus and other benefits	14,263	11,754
Contribution to Provident Fund and other funds	958	804
Gratuity	559	482
Staff Welfare and amenities	387	557
Total	**16,167**	**13,597**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

30. Finance Cost

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Other Borrowing costs - Interest on ICDs	8,550	6,187
Other interest expenses	188	-
Total	**8,738**	**6,187**

31. Depreciation and Amortization expenses

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Depreciation expense	1,476	1,451
Total	**1,476**	**1,451**

32. Other Expenses

(Rs. in Thousands)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Repairs and Maintenance		
Buildings	13	12
Others Assets	451	396
Printing and Stationery	1,172	740
Postage Expenses	1	7
Audit Fees(Note below)	433	140
Insurance	6	3
Power and Fuel	244	
Commission on sales	286	-
Advertisement and Sales Promotion expenses	102	-
Board Meeting Expenses	437	168
Provisions for doubtful advances	-	1,950
Rent	3,021	2,892
Rates & Taxes	493	743
Travelling & Conveyance expenses	2,118	1,802
Communication expenses	341	346
Legal and Professional Fees	2,899	855
Sitting fees to Directors	280	150
Consultancy Charges	2,632	2,841
Listing Fees	737	594
Bad Debts written off	-	150
Bank Charges	82	160
Miscellaneous expenses	1,454	736
Total	**17,202**	**14,685**

Note:

(Rs. in Thousands)

Payment to auditors comprise (net of service tax input credit, where applicable):	31st March 2018	31st March 2017
For audit*	368	100
For tax audit	50	40
Reimbursement of Expenses	15	-
	433	**140**

* Includes Rs 18 paid to the previous Statutory Auditor

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

33. 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 Company 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	(10,410)	(10,227)

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)	**(1.68)**	**(1.65)**

34. Employee benefits

(A) Defined contribution plans

The Company makes contributions towards provident fund 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 Company recognised Rs. 649 Thousands (31st March, 2017: Rs. 611 Thousands) for provident fund contributions in the Statement of Profit and Loss.

(B) Defined benefit plan

The Company 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 standalone 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	2,320	1,460	1,222
Interest cost	167	112	96
Current service cost	402	420	431
Benefits paid	-	(238)	-
Actuarial (Gains)/Losses	(985)	566	(289)
PVO at the end of the year	**1,904**	**2,320**	**1,460**

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	136	323	755
Adjustment to opening fair value of plan assets	-	-	(482)
Return on plan assets	10	1	
Other (charges) / income	-		
Contributions by the employer	-	50	50
Benefits paid	-	(238)	-
Fair value of plan assets at the end of the year	**146**	**136**	**323**

Notes to the standalone 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	1,904	2,320	1,460
Fair value of planned assets at end of year	146	136	323
Funded status	(1,758)	(2,184)	(1,137)
Net asset/(liability) recognised in the balance sheet	(1,758)	(2,184)	(1,137)

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	402	420	431
Net interest	167	113	95
Return on plan assets	(10)	(1)	-
Adjustment to opening fair value of plan assets	-	(50)	482
Expense recognised in the statement of profit or loss	559	482	1,008

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	(985)	566	(289)
Total actuarial (Gain)/Loss recognised in OCI	(985)	566	(289)

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	146	136	323
Gratuity fund	100%	100%	100%

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	7.64%	7.20%	7.20%
Rate of increase in compensation	8%	8%	8%
Employee attrition rate	5%	5%	5%

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

i) Expected Payout

Year	Rs. in Thousands
Expected Outgo FY 2018-19	85
Expected Outgo FY 2019-20	88
Expected Outgo FY 2020-21	110
Expected Outgo FY 2021-22	490
Expected Outgo FY 2022-23	98
Expected Outgo FY 2023-24 to FY 2027-28	1,599

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	1,784	2,038	2,036	1,783

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 Company'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	20 & 24	(1,758)	(2,184)	(1,137)

35. Tax Expense

(a) Amounts recognised in profit and loss **(Rs. in Thousands)**

	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)
Deferred tax expense (B)		
Origination and reversal of temporary differences	(1,137)	744
Tax expense recognised in the income statement (A+B)	**(1,137)**	**716**

Notes:

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 continuously suffered losses for the past 3 years.

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

(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	985	(256)	729	(566)	175	(391)
Equity Instruments through Other Comprehensive Income - net change in fair value	-	-	-	-	-	-
	985	**(256)**	**729**	**(566)**	**175**	**(391)**

(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 Thousands)	%	(Rs. in Thousands)
Profit before tax		**(9,273)**		**(10,944)**
(Tax expense)/Deferred Tax Asset using the Company's domestic tax rate	26.00%	2,411	30.90%	3,382
Tax effect of:				
Deferred Tax Asset not recognized in view of continued accumulated losses	0.00%	-	(24.35%)	(2,665)
Reversal of Deferred tax assets on account of change in tax rates	(38.26%)	(3,548)	0.00%	-
Effective Tax Rate / Income tax expense	**(12.26%)**	**(1,137)**	**6.55%**	**716**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

36. Financial instruments

A. Capital Management

The Company's policy is to maintain a strong capital base so as to ensure that the Company is able to continue as going concern to sustain future development of the business. The Company 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 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	1,47,569	1,10,563	84,257
Less: Cash and cash equivalent	(225)	(546)	(271)
Adjusted net debt	**1,47,344**	**110,017**	**83,986**
Total equity	1,91,837	2,01,518	2,12,136
Adjusted net debt to adjusted equity ratio	0.77	0.55	0.40

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 standalone 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		**Nil**	**Nil**	**Nil**
At FVTOCI		Nil	Nil	Nil
At Amortised cost				
Trade receivables		23,273	29,525	28,723
Cash and cash equivalents		225	546	271
Bank balances other than above		248	306	299
Other financial assets		3,203	2,348	2,314
Financial liabilities				
At Amortised cost				
Borrowings		1,47,569	1,10,563	84,257
Trade payables		14,687	14,227	15,136

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

(i) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

(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 the mutual funds are valued using the closing NAV. 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 Company owns unlisted equity shares in companies, which are non-profit companies providing 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 considered same as cost as at the reporting date.

37. Financial risk management

Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities.

The audit committee oversees how the management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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.

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

The Company 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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 Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful trade receivables 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.

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 Company. Where loans or receivables have been written off, the Company 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 Company measures the expected credit loss of trade receivables 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.

Ageing of Trade receivables

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
0-3 months	2,971	8,242	6,065
3-6 months	(1,412)	3,061	3,644
6 months to 12 months	6,792	7,821	7,609
Beyond 12 months	96,002	91,481	92,485
Allowance for doubtful trade receivables (Expected credit loss allowance)	(81,170)	(81,170)	(81,170)
Total	**23,183**	**29,435**	**28,633**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

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

Movement in the expected credit loss allowance

(Rs. in Thousands)

Particulars	As at 31st March 2017	As at 31st March 2016
Opening provision	(81,170)	(81,170)
Add: Additional provision made	-	-
Closing provision	**(81,170)**	**(81,170)**

Loans

In the case of loans to concerned 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)

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 225 at 31st March, 2018 (31st March, 2017: Rs. 546, 1st April, 2016 : Rs. 271). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

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		
		Contractual cash flows			Contractual cash flows			Contractual cash flows	
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial liabilities									
Current borrowings	1,47,569	1,47,569	-	1,10,563	1,10,563	-	84,257	84,257	-
Trade and other payables	14,688	14,688	-	14,227	14,227	-	15,136	15,136	-
	1,62,257	**1,62,257**	**-**	**1,24,790**	**1,24,790**	**-**	**99,393**	**99,393**	**-**

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

'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		
		Contractual cash flows			Contractual cash flows			Contractual cash flows	
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial assets									
Investments									
Trade receivables	23,273	23,273	-	29,525	29,525	-	28,723	28,723	-
Cash and cash equivalents	225	225	-	546	546	-	271	271	-
Bank balances other than above	248	248	-	306	306	-	299	299	-
Loans and advances	3,203	3,203	-	2,348	2,348	-	2,314	2,314	-
	26,949	**26,949**	**-**	**32,725**	**32,725**	**-**	**31,607**	**31,607**	**-**

Note:

The current liabilities include inter corporate deposits from related parties which are repayable on demand. Based on past experience, the Company does not expect immediate demand for repayment of such deposits.

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 Company'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 risk

The Company is not exposed to the foreign currencies transactions hence the disclosure is not applicable.

D) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence , the Company is not significantly exposed to interest rate risk. Also there is no material interest risk relating to the Company's financial liabilities.

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

38. Related party disclosures

Particulars		Ownership Interest		
		31st March 2018	31st March 2017	1st April 2016
1. Relationships:				
a) Subsidiary Companies:				
Acrastyle EPS Technologies Limited	India	100%	100%	100%
Acrastyle Power India Limited	India	67%	67%	67%
S&S Power Switchgear Equipment Limited		India	100%*	--
Acrastlye Switchgear Limited, U.K	United Kingdom	67%	67%	67%
Acrastlye Limited, U.K	United Kingdom	67%	67%	67%
b) Jointly controlled entity:				
S&S Power Switchgear Equipment Limited		India	-	51%*51%*
c) 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			
d) Relatives of KMP:				
Mrs. Rekha Jalan	Mother of Mr. Ashish Sushil Jalan			
e) Enterprise over which KMP or relative has significant influence:				
Bombay Gas Holdings and Investments Private Limited	Private company in which the APIL's directors is member			
Hamilton Research and Technology Private Limited	Private company in which the APIL's directors is member			
Bombay Gas Company Limited	Public Company in which the APIL's director is also a director			
RPIL Signalling Systems Limited	Public Company in which the APIL's director is also a director			
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 standalone 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

Nature of Transactions	Related parties				
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
Sales:					
Goods, Materials and Services	20,580	-	-	-	-
	(5,585)	(15,780)	(-)	(-)	(-)
Reimbursement of expenses:	-	-	711	-	-
	(-)	(-)	(841)	(-)	(-)
Purchases/Other services:	334	-	-	-	-
	(-)	(5)	(-)	(-)	(-)
Remuneration:	-	-	7,523	-	-
	(-)	(-)	(6,502)	(-)	(-)
Directors sitting fees:	-	-	280	-	-
	(-)	(-)	(150)	(-)	(-)
Sale of PPE:	-	-	-	-	-
	(2,600)	(-)	(-)	(-)	(-)
Loans and Advances given:	-	-	-	-	-
	(-)	(20,700)	(-)	(-)	(-)
Loans and Advances received:	-	-	-	-	31,000
	(-)	(-)	(-)	(-)	(-)
Interest income:	10,706	-	-	-	-
	(4,097)	(240)	(-)	(-)	(-)
Interest expenses:					7,907
					(5,454)

Previous years figures are in ( )

3. Balances outstandings

(Rs. in Thousands)

Nature of outstanding balances	As at 31st March 2018	As at 31st March 2017
Investments:		
Subsidiaries	1,87,420	1,28,772
Jointly controlled entity	-	28,688
Trade and Other receivables:		
Subsidiaries	1,61,123	72,216
Jointly controlled entity	-	86,847
Trade and other payables:		
Subsidiaries	400	-
KMP	1,295	878
Entity over which KMP has significant influence	1,47,569	1,10,563

Notes to the standalone financial statements for the year ended March 31, 2018 contd...

39. Capital Commitments

(Rs. in Thousands)

Particulars	31st March 2018	31st March 2017	1st April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for Against which advance paid	Nil	Nil	Nil

40. Contingent liabilities and pending proceedings

I. Contingent liabilities

(Rs. in Thousands)

Particulars	31st March 2018	31st March 2017	1st April 2016
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. 5,000 and the matter is pending before CESTAT. The Company is hopeful of favourable outcome from CESTAT.	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 grievance 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 closure. We have been following with DGFT for resolution and do not foresee any additional liability on account of penalties and interest.	Amount unascertained in respect of interest and penalty.	Amount unascertained in respect of interest and penalty.	Amount unascertained in respect of interest and penalty.
The Company has already fully provided for 100% of the customs duty benefit availed on the advance license.			
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

Notes:

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 standalone financial statements for the year ended March 31, 2018 contd...

41. Operating lease

The Company procures on lease office premises under operating leases. These rentals recognized in the Statement of Profit and Loss Account for the year is Rs.2,511 (31st March, 2017: Rs. 2,199). The future minimum lease payments and payment profile of non cancellable operating leases are as under:

(Rs. in Thousands)

Particulars	2018	2017	2016
Not later than one year	2,436	2,511	2,199
Later than one year but not later than five years		2,436	4,947
More than five years	-	-	-
Total	**2,436**	**4,947**	**7,146**

42. CSR Expenditure

The Company has incurred losses for the past 3 financial years and, also does not meet the turnover and networth criteria specified under Section 135 of the Companies Act, 2013 to constitute a Corporate Social Responsibility Committee. Thus, provisions of Section 135 and disclosure requirements specified therein are not applicable to the company

43. Disclosures pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosures and Disclosures Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

a) For details of investments made refer Note 7

b) For details of loans given to related parties refer Note 8

c) There are no guarantees issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.

44. Segment Information

As permitted by paragraph 4 of Ind AS-108, 'Operating Segment', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Thus, disclosures required by Ind-AS 108 are given in consolidated financial statements.

45. Previous year figures have been regrouped/reclassified to confirm to current year classification

Signature to notes 1 to 45

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

Vijay Mehta
Partner
Membership No.: 106533

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

Date : May 29, 2018
Place : Chennai

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 2018

(Rs. in Thousands)

Sl.No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	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 2018	As at 31st March 2017	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

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

Date : May 29, 2018
Place : Chennai

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 (VI-VII)**		**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 (VIII + 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

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 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**

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

(Rs. in Thousands)

S.No.	Particulars	Notes	Previous GAAP	Effects of transition to Ind AS	Ind AS
I	Revenue From Operations (including excise duty)	E, H	11,95,966	(2,98,401)	8,97,565
II	Other Income	E, D	15,630	396	16,026
III	**Total Income (I+II)**		**12,11,596**	**(2,98,005)**	**9,13,591**
IV	**EXPENSES**				
	Cost of materials consumed	E	7,66,098	(2,09,641)	5,56,457
	Changes in Inventories of Finished goods Stock-in-Trade and work-in-progress	E	(2,300)	-	(2,300)
	Excise duty on sale of goods	H	-	25,638	25,638
	Employee benefits expense	E, I	2,52,506	(38,645)	2,13,861
	Finance costs	E	28,412	(4,055)	24,357
	Depreciation and amortization expense	E	9,475	(2,639)	6,836
	Other expenses	D, E, F, G	1,39,449	(50,060)	89,389
	Total Expenses (IV)		**11,93,640**	**(2,79,402)**	**9,14,238**
V	Share of profit/(loss) of joint venture	E	-	2,469	2,469
VI	**Profit before tax (III-IV+V)**		**17,956**	**(16,134)**	**1,822**
VII	**Tax expense:**				
	(1) Current tax		-	-	-
	(2) Short/(Excess) provision for tax-Previous years		(28)	-	(28)
	(3) Deferred tax	C	(249)	1,458	1,209
			(277)	1,458	1,181
VIII	**Profit for the year (VI-VII)**		**17,679**	**(14,676)**	**3,003**
IX	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	- Remeasurement of Defined benefit plans	I	-	(665)	(665)
	- Remeasurement of Defined benefit plans - AL UK		(46,444)	-	(46,444)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	I	-	205	205
	- Remeasurement of Defined benefit plans		-	-	-
X	**Total other comprehensive income**		**(46,444)**	**(460)**	**(46,904)**
XI	**Total comprehensive income for the year (VIII+X)**		**(28,765)**	**(15,136)**	**(43,901)**
XII	Earnings per equity share				
	(1) Basic & Diluted (Face Value Rs.100 per equity share)		-	-	-

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...

7. Goodwill

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Goodwill on Consolidation of Acrasyle Limited, UK	3,05,529	2,62,674	3,14,354
Goodwill on Consolidation of S&S Power Switchgear (See Note 45)	15,355	-	-
Total	**3,20,884**	**2,62,674**	**3,14,354**

8. Investment in Joint Venture

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Interest in equity instruments of SSPSE (See Note 45)	-	31,156	28,688
Total	**-**	**31,156**	**28,688**

9. Non-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			
Earnest Money Deposits	2,660	1,929	1,924
Security Deposits	2,167	1,029	1,041
Other Deposits	343	240	241
Deposits against leased premises	7,043	6,376	8,393
Less : Provision for doubtful deposits	(3,378)	(2,945)	(996)
Total	**8,835**	**6,629**	**10,603**

10. Deferred tax Assets (net)

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Asset	-*	8,324	6,660
On account of accounting interest income from ASL UK on cash basis	-*	(4,862)	(4,613)
Total	**-**	**3,462**	**2,047**

*Refer note 23: Deferred tax liabilities net

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	Fair value hierarchy	As at 31st March 2018 Carrying amount	As at 31st March 2017 Carrying amount	As at 1st April 2016 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	Ownership Interest 31st March 2017	Ownership Interest 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 2017
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 April 2016
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 April 2016
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**	**3,003**

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 31st March 2017	As at 1st 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 31st March 2017	As at 1st 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

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

47. Operating lease

The Group procures on lease office premises under operating leases. These rentals recognized in the Statement of Profit and Loss Account for the year is Rs. 9,750 (31st March, 2017: Rs. 14,730). The future minimum lease payments and payment profile of non cancellable operating leases are as under:

(Rs. in Thousands)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Not later than one year	9,450	15,930	14,730
Later than one year but not later than five years	-	9,450	25,380
More than five years	-	-	-
Total	**9,450**	**25,380**	**40,110**

Signature to notes 1 to 47

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

FORM NO MGT-11 - PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :	**Folio No / Client ID :**
Registered Address & Email ID :	**DP ID :**

I/We, being the member(s) of ____________ shares of the above named company, hereby appoint

1) Name :
   Address :
   Email ID :
   Signature ________________________ or failing him/her

2) Name :
   Address :
   Email ID :
   Signature ________________________ or failing him/her

3) Name :
   Address :
   Email ID :
   Signature ________________________ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fortieth (40th) Annual General Meeting of the Company to be held on the **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 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1) ____
2) ____
3) ____
4) ____
5) ____

Affix Re.1/- Revenue Stamp

Signed this ________________________ day of _____________ 2018

Signature of Shareholder ______________________

Signature of Proxy Holder(s) ______________________

Notes:
This form of this form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

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:

Notes:

Notes:

LOCATION MAP FOR AGM VENUE

Plot No 14, CMDA Industrial Area Part – II,
Chithamanur Village, Maraimalai Nagar – 603209.
Kancheepuram District. Tamilnadu
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