

## CHAIRMAN'S STATEMENT

Dear Shareholders,

It is an honour and a privilege to present the 35<sup>th</sup> Annual Report of your company. I am extremely humbled as I write my first letter to our valued shareholders. The transformation in economic and business environment is bound to change the way we operate and create wealth for our shareholders. Holding on to our strengths and building new ones, our team of employees is resolutely focused on achieving immediate target of regaining growth.

India is on a roll. There is a buzz about India, as it blazes forth as the fastest growing economy in the world at 7.1%. India's global ranking has jumped up in competitiveness and on the innovation index. The various initiatives and reforms of Government of India have built the platform for a quantum leap ahead. High impact national projects, coming to grips with structural issues, which were holding back the country's progress, innovative approaches in policy making – have collectively contributed in driving India on a high growth trajectory. Going forward the abiding sense is one of immense optimism and confidence in the future with the nation slated to grow at 7.5% to 8% .

### **Your Company's Performance**

I am pleased to inform that, in FY 2016-17, REIL has performed satisfactorily, backed by a solid performance in the core area of operations. You, as our shareholders, have shown great faith and belief in what we are doing and that gives us the strength and determination to keep exceeding your expectations. Your Company in financial 2016-17 has shown the good performance with Profit after Tax of Rs. 12.15 crore on a turnover of Rs. 233.03 Crore. The Net Worth of the Company has increased from Rs. 103.83 Crore to Rs. 110.72 Crore i.e. an increase of more than 7%. The Earning per Share was Rs. 9.76. Your Company has maintained high quality top- line and earnings.

The Board of the Company has recommended all time high dividend of Rs. 5.90 Crore for the year 2016-17.

Your Company is holding the most prominent position in the Dairy Industry through its customer focused approach by way of ensuring prompt products deliveries and after sales support. Besides achieving business targets, the focus of the division has been to satisfy its esteemed customers. Continued patronage for the company product has placed REIL as a market leader in Indian dairy Industries. This has brought a lot of benefits to our esteemed customer in terms of working with existing technology, up gradation of old technologies, adopting new technologies, embedding different technologies. Your Company has aligned its objectives and plans with Government's missions and policies, addressed the use of GPRS technology for existing systems to ensure error-free dairying and extending EMAT application in line with food safety standards.

Your Company deployed higher version of Milk Analysis and automation solutions to Paayas, Maahi, Baani and Shreeja Milk Producers Companies; COMFED, Bihar; and APDDCF, Hyderabad. The product-mix is based on existing technologies, up gradation of old technologies, development of new technologies, embedding different technologies and addresses current needs for milk analysis, automation of milk collection process, data management, data analysis, and control and monitoring, for qualitative and quantitative improvement in milk procured and milk products.

The Renewable Energy Division is intensifying its efforts to expand its markets to have a pan India presence. The Company has supplied, installed and commissioned the solar power projects with various customer organizations such as Rajasthan Renewable Energy Corporation Ltd, Rajasthan Horticulture Development Society, Public Health Engineering Department, Govt. of Rajasthan, Department of Rural Development and Panchayati Raj, Govt. of Rajasthan, NEDA, Govt. of UP, EIL, CONCOR, Power Grid Corporation, Scooters India Limited, IOCL, MAZGAON DOCK, IIFCL, EPIL and IREDA.

In Renewable Energy business, the Company performed well in Rooftop Solar Business, PSU Synergy, SPV Home Lighting, SPV Water Pumping etc. In line with Smart Cities Mission of Government of India, your Company has been nominated as nodal agency for implementation of Solar Energy Projects at Jaipur, Udaipur, Kota and Ajmer. It continued to work in line with missions of Government of India- Make in India, Digital India, Skilling India, National Solar Mission and National Dairy Plan.

A number of prestigious awards and recognitions were conferred on the Company this year. The Company was awarded 'SCOPE Meritorious Award 2014-15' by Hon'ble President of India, in 'Research, Innovation and Technology Development' category. The Company was also awarded "Best Overall Performance PSU Award-2016 by Governance Now" and "Governance Now Best PSU Award-2016" for CSR Initiative, Environment Sustainability, ICT Initiative and Research & Development. The Company was awarded "PSE Excellence Award 2015" for R&D Technology and Innovation" by Indian Chamber of Commerce.

Your Company believes in Corporate Social Responsibility, where we continue to discharge our social obligations with utmost passion and sincerity. Your Company organizes free medical/health camps and deployed Solar Power Systems and also awarded scholarship to students belonging to persons with disability.

Your Company continues to believe in excellence in delivering services seasoned with good business ethics. We target high customer satisfaction, employee satisfaction and maximum revenue generation from all that we undertake. We aim to extract maximum benefit from the business opportunities that we foresee, hand in hand with our trained and skilled team and teamwork.

We look forward for the continued support and encouragement from all our stakeholders, bankers, customers, vendors, employees, government authorities and all those who directly and indirectly helped us to achieve our goals. In the end, I would like to thank the REIL team for their determination and hard work to take the Company to soaring new heights.

**With best wishes,**

Date: 27.09.2017  
Place: Jaipur

Sd/-  
**CHAIRMAN**

# DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the 35<sup>th</sup> Annual Report on the business and operations of the Company, together with the audited Statement of Accounts, for the year ended March 31, 2017. The Company has achieved a top line of Rs. 233.03 crore and bottom line of Rs. 12.15 crore during the financial year. The Dairy business had been innovating by use of GPRS technology for existing systems to ensure error-free dairying and extending EMAT application in line with food safety standards. In Renewable Energy business also, the Company performed well in Rooftop Solar Business, PSU Synergy, SPV Home Lighting, SPV Water Pumping etc. In line with Smart Cities Mission of Government of India, your Company has been nominated as nodal agency for implementation of Solar Energy Projects at Jaipur, Udaipur, Kota and Ajmer. It continued to work in line with missions of Government of India- Make in India, Digital India, Skilling India, National Solar Mission and National Dairy Plan.

## FINANCIAL PERFORMANCE

The Company's financial highlights in accordance with IND AS are provided below:

(Rs. in Lakh)

S. No.	PARTICULARS	2016-17	2015-16
1.	Turnover & Other Income	23303	21737
2.	Material Cost	14328	13586
3.	Employment Cost	2564	2528
4.	Other Revenue Expenses	4121	3348
5.	Gross Margin (PBDIT)	2103	2117
6.	Profit Before Tax (PBT)	1737	1778
7.	Profit After Tax (PAT)	1215	1223
8.	Net Worth	11072	10383
9.	Order Booking	20400	35400
10.	Book Value Per Share (in Rs.)	90.38	84.76
11.	Dividend/PAT (per cent)	40.33	34.43
12.	PAT/Net Worth (per cent)*	11.59	12.38
13.	Dividend /Net Worth (per cent)*	4.67	4.26
14.	Number of days of Inventory of FG and WIP to Sales of products	13.97	14.96
15.	Trade Receivables as % of Revenue from Operations (Gross)	70.67	64.97

\* Net Worth is taken as Rs. 11072 Lakh – Proposed Dividend (Rs. 490 Lakh) - Dividend Distribution Tax (Rs. 100 Lakh) = Rs. 10482 Lakh (Previous Year Rs. 9876 Lakh)

## **STATUS OF COMPANY'S AFFAIRS**

The Company entered into the Performance MoU with Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises (MoHI&PE), Government of India to set the performance targets for the year 2017-18. The MoU performance of REIL, for the year 2015-16 has been rated as 'Very Good' in respect of the MoU signed with the Government of India. It is expected that during the year 2016-17 the Company will be rated as "Excellent" in respect of the MoU parameters.

During the year, Company received major orders for DPMCU/SPV-DPMCU and AMCU, from milk cooperative unions of Rajasthan, Andhra Pradesh, Kerala, Madhya Pradesh, Gujarat, Haryana, J&K and Punjab. The newly introduced GPRS enabled solution in dairy sector has received popular acceptability due to ease in data communication and generation of milk producer information through SMS.

With Consistent and sustained efforts towards Error Free Dairying, the Company successfully completed the task of upgradation of more than 5500 Village Based Milk Procurement Systems (DPMCU) in a record time of 25 days, in producer companies of NDDDB, deployed under National Dairy Plan in Rajasthan, Punjab, Andhra Pradesh and Gujarat.

The Company contributed in Law enforcement for food safety security by FSSAI, Government of India through acquisition of order for EMAT+ to be deployed across the country.

In its role as Expert CPSE and Project Management Consultant, the Company received sanction of 20.5 MWp grid Connected Solar Rooftop Power Projects from MNRE and this turns out to be largest project been received so far as Project Management Consultant.

Aligning Company's objectives with "Make in India" under National Solar Mission and as a part of its Green Energy Commitments, the Company installed Automatic Stringer Machine on 26.11.2016 with a capacity of processing 700 cells/hr to make solar string and can process cut cells upto 40 mm. REIL also installed 30 KW Grid-connected Rooftop Solar Power Plant with high efficiency modules at its premises.

Hon'ble Chief Minister of Rajasthan and Hon'ble Home Minister of Rajasthan inaugurated Smart cities project installed by REIL at Jaipur and Udaipur respectively on the occasion of 1<sup>st</sup> anniversary of Smart Cities Mission of Government of India.

REIL as Project Management Consultant (PMC) in the LED streetlight project for 17 ULBs in Rajasthan, has successfully completing 10 ULBs through installation of 2.6 Lac lights. Hon'ble Chief Minister of Rajasthan also inaugurated prestigious LED Street Lighting Project at Udaipur undertaken by REIL as PMC.

Your Company continues with its task to build business with long term goals based on intrinsic strength in terms of its powerful brands, quality manufacturing process, excellent after-sales-service and customer relationships. It accords high priority to rationalizing and streamlining operations to bring about better efficiencies and reduction in costs. The Company continued to be a "MINI RATNA" amongst Public Sector Enterprises.

## **INDIAN ACCOUNTING STANDARDS (IND AS)**

The Company adopted financial statements in accordance with Indian Accounting Standards (Ind AS) from the current financial year with the transition date of April 1, 2015 as notified under section 133 of the Companies Act, 2013 read with Companies (Account) Rules, 2014. The financial statements for the Financial Year ended March 31, 2017 are the Company's first Ind AS annual financial statements with comparative figures for the year ended March 31, 2016 also under Ind AS.

## **SHARE CAPITAL STRUCTURE**

Pursuant to the approval of the Government of India for converting Rajasthan Electronics & Instruments Limited (REIL) Jaipur into an Independent Central Public Sector Enterprise, delinking of REIL has been done from Instrumentation Limited Kota (ILK) by transferring the entire shareholding of 62,47,500 shares of the face value of Rs. 10 each, being 51% equity held by ILK in REIL to The President of India. Consequent upon that REIL is ceased to be subsidiary of Instrumentation Limited, Kota w.e.f. 16.05.2017.

## **DIVIDEND**

The Board of Directors recommends declaration of dividend @ 40 % (Rs 4.00 per share) excluding dividend distribution tax on share capital of Rs. 12.25 Crore of the Company for the year 2016-17 out of profits of the Company. This will result in outflow of Rs. 4.90 crore apart from dividend distribution tax of Rs. 1 crore on this account.

## **TRANSFER TO GENERAL RESERVES**

It is proposed to transfer Rs. 9.00 crore to General Reserve of the Company.

## **CREDIT RATING**

The Company has obtained its credit ratings from CARE. It has been given a rating 'CARE BBB+' by CARE for its long-term bank facilities. Similarly, for its short-term bank facilities the Company has been assigned 'CARE A3+' rating by CARE

The ratings continue to derive strength from the established operations with long track record and diversified product portfolio.

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Shri Umesh Kumar, IAS, Chairman & Managing Director, Rajasthan State Industrial Development and Investment Corporation Limited, Jaipur (RIICO) was appointed as Chairman & Director w.e.f. 08.08.2016 to 16.09.2016 and appointed again w.e.f. 09.12.2016 to 12.01.2017 and consequent upon his transfer ceased to be as Chairman & Director of the Company.

Smt. Veenu Gupta, IAS, Managing Director, RIICO, ceased to be Chairman & Director of the Company consequent upon her transfer w.e.f. 08.08.2016.

Shri Vaibhav Galriya, IAS, Managing Director, RIICO was appointed as Chairman & Director w.e.f. 16.09.2016 consequent upon his transfer ceased to be as Chairman & Director of the Company w.e.f. 09.12.2016.

Ms. Mugdha Sinha, IAS, Managing Director Rajasthan State Industrial Development and Investment Corporation Limited, Jaipur (RIICO) has been appointed as Chairman & Director w.e.f. 12.01.2017.

The Board of Directors places on record the deep appreciation of the valuable services rendered as well as advice and guidance provided by Smt. Veenu Gupta, Shri Umesh Kumar and Shri Vaibhav Galriya during their tenure.

## **Key Managerial Personnel**

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Shri Akhilesh Kumar Jain, Managing Director, Shri Subhash Agrawal, Chief Financial Officer and Shri Amit Kumar Jain, Company Secretary. There has been no change in the key managerial personnel during the year.

## **Declaration by Independent Directors**

The independent directors have submitted the declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

## **VISIBILITY**

During the year, REIL has played key role in various Exhibitions and Seminars/conferences of National/International level, in the fields of Dairy, Renewable Energy and Information Technology, such as:

### **Conferences**

- SuryaCon 2016 organized by EQ International, a conference on Solar Business, Technology, Finance, Policy & Regulation, with special focus on Rooftop Solar Parks, Off-grid Solar & Solar application at New Delhi and addressed on Make in India manufacturing competitiveness.
- India PSU IT Forum organized by Governance Now-SAB TV group, at SCOPE, New Delhi and shared views on the theme “Transforming PSU, Transforming India”.
- A workshop organized by IASC Sector Skill Council and addressed on “Filling the skill gaps in Instrumentation, Automation, Surveillance & Communication (IASC)”
- A workshop organized by “Confederation of Indian Industry” (CII) on “Concentrating Solar Thermal Technology (CST) for Industries” at Jaipur and addressed on the CST Potential and Tremendous Scope for CST applications in industries, challenges faced and Future of CST.
- Energy Tech Forum organized by “Governance Now” on “Transforming the Energy Value Chain” at Jaipur and shared views around the subject and also focused the complex issues such as electrification of rural area etc.
- 7<sup>th</sup> World Renewable Energy Technology Congress organized by “Energy and Environment Foundation” at New Delhi and shared his views on “Solar Rooftop: Emerging opportunities”.
- A seminar organized by “Indian Dairy Association” IDA, Rajasthan State Chapter on the subject “Policy Intervention for Dairy Development in State” and addressed to the vast array of dairy producers, professionals & planners, scientists & educationists, institutions and organizations.
- Conference organized by “Confederation of Indian Industry” on “Smart and Green Liveable Cities” at Jaipur. Being nodal agency for implementing Smart City projects in different cities, REIL actively participated in conference.
- Conference organized by Rajasthan Solar Association (RSA) and National Solar Energy Federation of India (NSEFI) at Udaipur and graced the event and threw a light on challenges faced by solar industry and ways to boost Rooftop Solar through Public-Private participation.
- Conference organized by PHD Chamber of Commerce and Industry on “Roadmap to Achieve 175 GW Renewable Energy by 2022” at New Delhi and chaired the technical session and made people aware about various transformational initiatives taken by GoI and other Stakeholders for sustainable growth of India.
- 2 day Annual convention organized by Central Information Commission (CIC) and shared the important provisions of the RTI Act 2005 and how it is incorporated in REIL.
- Programme organized by The Employers’ Association of Rajasthan at Jaipur on “Industry & Institution Interfacing”. MD REIL being Vice president, EAR shared his views on Academia-Industry linkages while highlighting the needs and expectations of the Industry.

- 12<sup>th</sup> eIndia Innovation Summit Rajasthan organized at Jaipur and addressed the session “Education and Skill Development, Development of Innovation, Entrepreneurship & Industry”.
- 3<sup>rd</sup> PSU Summit 2017”, a National Conference organized by Elets Technomedia and highlighted the opportunities and challenges in the Public Sector Undertakings in India.
- 11<sup>th</sup> Renewable Energy India Expo by UBM, and emphasized on immense potential of Solar in Rajasthan and its drivers for growth.
- International Energy Conference and Switch Global Expo organized by MNRE jointly with Government of Gujarat.
- 8<sup>th</sup> National Seminar organized by ICAR, National Dairy Research Institute & NDRI Graduates Association at Karnal, and shared views on “Indian Dairy & Food Sector- Way forward to meet future challenges”.
- Round table conference by Rajasthan Renewable Energy Corporation Limited (RRECL), Jaipur and addressed on opportunities in “Off-grid Solar Systems”.

## **Exhibition**

- Exhibited its innovative products and solutions in 10<sup>th</sup> RE EXPO-2016 organized by UBM India at Greater Noida.
- Exhibited its products and solutions in Dairy and Renewable Energy in India Industrial Fair, 2016 at Jaipur.
- Exhibited products and solutions in Energy Tech 2016 and Food tech 2017, a National Exhibition-cum-vendor development programme organized by Ministry of Micro, Small and Medium Enterprises, Government of India at Jaipur.
- Exhibited its products in Intersolar India 2016, India’s Largest Exhibition and Conference for Solar Industry at Mumbai and shared views on “ solar Parks in India: An update & way forward”.
- Participated in Global Rajasthan Agriculture Meet (GRAM) 2016 at JECC Sitapura organized by Directorate of Horticulture, Jaipur and showcased the SPV Solutions for Irrigation System through various type of Solar Water Pumping Systems.
- Showcased its product range during India International Dairy Expo IIDE 2017 on 45<sup>th</sup> Dairy Industry Conference (DIC), organized by Indian Dairy Association and actively participated and interacted with dairy professionals from across the country.

## **CORPORATE AWARDS AND RECOGNITIONS**

Continuing its tradition of bagging prestigious national awards, the organisation won several awards during the year. Notable among these included;

- ‘SCOPE Meritorious Award 2014-15’ by Hon’ble President of India, in ‘Research, Innovation and Technology Development’ category.
- “Brand Excellence Award 2016” by ASSOCHAM under the category special jury award for social impact.
- “PSE Excellence Award 2015” for R&D Technology and Innovation” by Indian Chamber of Commerce.
- “Best Overall Performance PSU Award-2016 by Governance Now” and “Governance Now Best PSU Award-2016” for CSR Initiative, Environment Sustainability, ICT Initiative and Research & Development.
- “IEI Industry Excellence Award 2016” by Institute of Engineers (India) for excellence in Manufacturing/Operation of Indian Engineering Industries.
- “Outstanding Performance in Solar Energy & Socio-Economic Rural Development Award-2015” in the category of Large Scale Industry.

- “India Pride Award” by Dainik Bhaskar Group in Agriculture and other category for its contribution in Agro Dairy Electronics.
- First Rajasthan Energy Conservation Award-2016, during 7<sup>th</sup> Renewable Energy Award, by RRECL, in Small Scale Industry- General Category, for its efficient Energy Management Practices.
- Appreciation Award from Leading Dairy Brand ‘AMUL’ to Company’s Regional office at Anand, for outstanding contribution towards implementation of AMUL AMCS Project at Village Dairy Co-operative Society Level.
- Certificate of Recognition by Governance Now, in recognition to contribution in planning and implementation of IT initiatives.
- Certificate of Excellence for Productivity, Quality, Innovation & Management by Institute of Economic Studies.

Shri A.K Jain, Managing Director of the Company has been conferred with following awards:

- SCOPE Excellence Award 2014-15 by Hon’ble President of India, for Individual Leadership. The award carries a citation and cash reward of Rs 1 Lakh.
- “PSU Leadership Award” for his dynamic leadership and significant contribution in economic development of the country, especially in Digital India, Make in India and Smart Cities missions of the Government of India.
- “Udhyog Ratan Award” by institute of Economic Studies.
- “CEO with HR Orientation” during Global HR Excellence Awards by World HRD Congress.

## **QUALITY & RELIABILITY**

REIL is committed to deliver value to its clients through significant investments in Quality programmes across the process of delivery. Its integrated quality program drives quality and productivity improvements across the organization, by developing and implementing quality-assurance programmes for the various stages of product realization that includes services to the end consumers. REIL has established & maintained Quality Management System & Environment Management System certified by DNV GL confirming to the International Standards ISO 9001 & ISO 14001 respectively.

## **PRODUCTION**

The production, during the financial year 2016-2017 amounted to Rs. 148.93 crore, in comparison to previous year Rs. 149.16 crore. The Company has produced 10127 Nos. of Electronic Milk Analysers as compared to previous year 9537 Nos. and 9.35 MW (70028 Nos.) of Solar Photovoltaic Modules as compared to the previous year of 7.4 MW (64855 Nos.).

## **BUILDING**

Construction of building for IT education, training, Research & Development at Mansarovar, Jaipur, is in full swing and during the year Company has incurred Rs. 6.63 crore on this account. All the activities envisaged for the year has been completed without time/cost overrun as per MoU targets.

## **DEVELOPMENT OF SUPPORT UNITS & MSMEs**

REIL as a policy puts emphasis on development of support industries and is now planning to put more emphasis on rural industrialization. REIL is in close interactions with support industries for their technology up-gradation which in turn helps in their quality improvement and volume production. REIL is fulfilling all its requirement of raw material and components, required for regular production of Electronic Milk Analyzers and Solar Photovoltaic Modules etc., from support industries.



REIL is regularly developing support industries by advertising in the news papers and participating in the vendor development programmes organized by MSME from time to time. Procurement from MSMEs during 2016-2017 was of Rs. 59.39 crore.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure-A and forms an integral part of this Report.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress the complaints received regarding sexual harassment at workplace.

The following is the summary of sexual harassment complaints received and disposed off during the current Financial Year.

1. Number of Complaints received: Nil
2. Number of Complaints disposed off: Nil

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

The particulars as sub section (3) (m) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are stated as under:

### **A. Conservation of Energy**

REIL continued to emphasize on the conservation and optimal utilization of energy in every manufacturing unit of the Company. The energy conservation measures implemented during FY 2016-17 are listed below:

- Energy Performance Index in office area improved by 40 % during the current year (saving of approx 40000 units) as compared to previous year.
- Use of Energy Efficient equipment.
- Maintenance of Machine as per schedule.
- Generation efficiency of DG Sets improved by 10 % saving 517 Ltrs of diesel as compared to previous year as a result of regular maintenance and better load management.
- The Company has installed additional 30KW Grid-connected Rooftop Solar Power Plant at factory premises making total installed capacity 255 KW. The plant would help in reduction of harmful carbon emissions and conserve the environment. The Solar plant is directly connected to electricity-grid and shall generate approximately 55,000 units of electricity per year.

Efforts are being made under Sustainable Development Initiatives to improve the energy efficiency and substitute conventional energy with renewable energy wherever possible. The Company aims at achieving the 5-Star rating in the coming years.

## **B. Technology Absorption and Research & Development**

The REIL R&D activities are aimed at achieving Corporate Mission by addressing customer expectations through development of new products and up-gradation of existing products/ processes to deliver competitive, economic and reliable products/ solutions while protecting the intellectual property rights

The Company has approved R&D Policy by the Board of Directors. It has fully equipped Research & Development centre with latest tools & technologies, skilled & experienced manpower. The Center has been recognized by the Department of Scientific & Industrial Research, Ministry of Science & Technology, and Government of India since 1985. The prime objective of the activities are to develop new technologies to meet the customer needs, continuously improve upon the process specification and techniques for optimum utilization of resources, consistency in quality comparable to the national standards, utilities of its existing products and development of new higher variant of existing products as well as new hi- tech products to meet the customer's requirements.

The selection of projects is based on:

- New products conceived / demanded
- Indigenization / Import substitution.
- Modification/ up-gradation of existing product/ process.
- Feedback from Marketing Department.
- Feedback from Production / Materials Management Department.

Major development projects undertaken in FY 2016-17 include following:

### **1. Smart GPRS Unit (SGU)**

Smart GPRS unit is designed to provide GPRS connectivity for SDPEMT & DPMCU. It upgrades the functionality of SDPEMT & DPMCU and provides online features like download of personalization, rate chart & member data. It also sends the transaction data of individual member from SDPEMT & DPMCU to Server. SGU removes the need of Smart card, serial pen drive which was used for data transportation to central location, and now directly communicates with server for data transfers.

### **2. GPRS based DPMCU-Project Implementation:**

Based on the customer requirement, Software upgradation of GPRS based DPMCU for Paayas dairy, Maahi dairy, baaani dairy and Shreeja dairy was done.

As per new requirement received from customer, various modifications and new features added such as :

- Shift synchronization process is added for peripheral check, to update time/rate/member files automatically, to automatically upload dispatch data of previous 22 shifts etc.
- Before uploading the dispatch data, uploading of the transaction data is ensured.
- Domain authentication and reset domain option is added.
- Year directory logic is added so that user can access previous year's files from the current date.

Incorporating all the modifications, DPU version V805PG0154 was released for Paayas dairy. Customized DPU software versions for Maahi dairy, Bani dairy and Shreeja dairy were also released. As of now, 5607 number of GPRS based DPMCU have been installed at various location of Paayas, Maahi, Bani and Shreeja Dairies. R&D team is constantly providing support to the field staff in installation and operation.

### **3. Modem for GPRS based DPMCU**

A GPRS modem is a GSM modem that additionally supports the GPRS technology for data transmission. A key advantage of GPRS over GSM is that GPRS has a higher data transmission speed.

The existing product line of REIL agro dairy products is being upgraded with additional facility of GPRS integration. The milk collection data is transferred instantly to the central server ensuring the transparency in the system. Since GPRS modem is integral part of the system, Modem is be developed by REIL only to ensure quality and availability.

#### **4. Hybrid Solar Electric Vehicle Charger**

By realising the importance of reduction of dependance on oil imports and reduction of CO<sub>2</sub> emissions, Govt of India is taking holistic measures to develop electric mobility market in India with manufacturing base and all supporting infrastructure. The infrastructure includes way side battery charging facilities and development & manufacturing of high energy batteries. One key to creating a significant market for EVs will be provision of adequate charging facilities.

Hybrid and Electric vehicles expected to have 35% to 45% lower emission in comparison with gasoline powered vehicles. The emission levels can further be reduced drastically by the usage of renewable energy sources. Hence, to make utilise of available solar energy and reduce further emission levels, it is desirable to have solar powered vehicle charging stations.

REIL has developed on board charger to be used for charging EV batteries. The on-board charger takes standard AC power supply from charging station and converts into DC which is regulated as per battery requirement. Hence EV charging stations provide standard AC Supply of required current capacity so that EVs can directly plugged into wall socket.

It gives the following advantages :-

- Export of solar power to grid in case of solar charging station is idle or lightly loaded.
- Facilitates the charging of EVs in case of Non avaiability of solar power.

#### **Engineering & Documentation:**

The R&D Center also undertakes activities of safeguarding the intellectual property rights of the Company, product/ process engineering and documentation. The Documentation of development & engineering activities is created and maintained for future reference. The technical documentation also includes technical books, journals, standards and other related publications. The design is reviewed periodically for up-gradation/ cost optimization.

#### **R&D Expenditure**

The expenditure on Research & Development (R&D) during the year is as under:

	(Rs. in Lakh)
(a) Capital	37.57
(b) Revenue	228.34
(c) Total	<u>265.91</u>

(d) Total R&D expenditure, as a percentage of total turnover, stood at 1.14 %

#### **Foreign Exchange Earnings and Outgoings**

During the year the Company has earned a sum of Rs. 22.91 Lakh in foreign currency. The Company has also used total foreign exchange worth of Rs. 3243 Lakh.

## **REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2016-17**

REIL has established a sound framework of Corporate Governance which underlines commitment to quality of governance, transparency disclosures, consistent stakeholders' value enhancement and corporate social responsibility. REIL endeavours to transcend much beyond the regulatory framework and basic requirements of Corporate Governance, focusing consistently towards building confidence of its various stakeholders including shareholders, customers, employees, suppliers and the society at large. The company has developed a framework for ensuring transparency, disclosure and fairness to all, especially minority shareholders.

The Company's governance framework is based on the following principles:

- ❖ Independence and versatility of the Board;
- ❖ High degree of disclosure and transparency levels
- ❖ Timely disclosure of material, operational and financial information to the stakeholders;
- ❖ Recognition of obligations towards all stakeholders – shareholders, customers, employees, suppliers and the society; and
- ❖ Robust systems and processes for internal control.

The company believes that conducting business in a manner that complies with the Corporate Governance procedures and Code of Conduct, exemplify each of our core values and position us to deliver long-term returns to our shareholders, favourable outcomes to our customers, attractive opportunities to our employees and making the suppliers our partners in progress & enriching the society.

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision and mission – **“To be the Leader in the Rural Sector for business area of Dairy Electronics, significant player in Renewable Energy and in related areas of Information Technology applications”** and **“To put in efforts to meet the existing and emerging needs of customers and serve them through developing/marketing and delivery of quality products and dependable after sales service”**

### **BOARD AND COMMITTEES:**

#### **a) Board of Directors:**

The composition of Board of Directors of REIL has an appropriate mix of Executive Director represented by Functional Director and Non- Executive Directors represented by Government nominees & Independent Directors, to maintain the independence of the Board and to separate the functions of Board with regard to management and control. As on 31<sup>st</sup> March, 2017, the Board of Directors comprised of seven Directors. During the financial year ended 31st March, 2017, five Board Meetings were held on 29<sup>th</sup> June, 2016, 17<sup>th</sup> August, 2016, 19<sup>th</sup> September, 2016, 20<sup>th</sup> December, 2016 and 27<sup>th</sup> March, 2017.

The details of composition of the Board as at 31.03.2017, the attendance record of the Directors at the Board Meeting held during the financial year 2016-17 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given here below:

Name of the Director	Category	No. of Meetings attended	Whether attended last AGM held on 19.09.2016	Number of Directorships in other Public Companies	Number of Committee positions held in other Public Companies	
					Member	Chairman
Shri Umesh Kumar	Chairman (Part Time) (w.e.f 08.08.2016 to 16.09.2016 and w.e.f 09.12.2016 to 12.01.2017)	2	N.A.	6	--	--
Shri Vaibhav Galriya	Chairman (Part Time) (w.e.f 16.09.2016 to 09.12.2016 and	1	Present	4	--	--
Ms. Mugdha Sinha	Chairman (Part Time) (w.e.f 12.01.2017)	1	N.A.	7	--	--
Shri A.K. Jain	Managing Director	5	Present	Nil	--	--
Shri Sanjay Solanki	Director (Part time)	4	Present	1	--	--
Shri A. Muralidhar	Director (Part time)	5	Present	1	--	--
Smt. Ritu Pande	Director (Part time)	5	Present	5	--	--
Shri M.L. Bhargava	Independent Director	5	Present	1	--	--
Shri Nirmal Kumar Jain	Independent Director w.e.f 29.04.2016	5	Present	Nil	--	--

**b) Board Procedure:**

The meetings of the Board are normally held at the company's Registered Office in Jaipur, Rajsathan and are scheduled well in advance. The Company Secretary, in consultation with the Managing Director, sends a written notice of each Board meeting to each Director. The Board agenda is circulated to the Directors in advance.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion in consultation with the Chairman.

**c) Board's Responsibilities:**

The Board's mandate is to oversee the company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of the shareholders.

**d) Audit Committee:**

The Audit committee comprises of five Directors namely Shri M.L. Bhargava, Shri A.K. Jain, Shri A. Muralidhar, Shri Sanjay Solanki and Shri Nirmal Kumar Jain. Shri M.L. Bhargava, Independent Director is the Chairman of the Audit Committee. During the financial year ended 31st March, 2017, five Audit Committee Meetings were held on 29<sup>th</sup> June, 2016, 17<sup>th</sup> August, 2016, 20<sup>th</sup> December, 2016, 27<sup>th</sup> January, 2017 and 27<sup>th</sup> March, 2017.

The composition of the Audit Committee and attendance of Directors at Audit Committee Meetings are given below:

<b>Name of Director</b>	<b>Category</b>	<b>No. of Audit Committee meetings attended</b>
Shri M.L. Bhargava	Chairman	5
Shri A.K. Jain	Managing Director	5
Shri Sanjay Solanki	Director (Part Time)	4
Shri Nirmal Kumar Jain	Director (Independent Director)	5
Shri A. Muralidhar	Director (Part time)	5

**Broad terms of reference of the Audit Committee:**

The terms of reference of the Board Level Audit Committee specified by the Board are in conformity with the requirements of Section 177 of the Companies Act, 2013.

The Power and Role of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
4. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
5. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
6. Review with the management of, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Disclosure of any related party transactions; and
  - Qualifications in the draft audit report.
7. Review with the management of the quarterly financial statements before submission to the Board for approval;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

**e) Remuneration Committee:**

The Remuneration Committee comprises of four Directors namely Shri M.L. Bhargava, Shri Sanjay Solanki, Shri Nirmal Kumar Jain and Shri A. Muralidhar. Shri M.L. Bhargava, Independent Director is the Chairman of the Remuneration Committee. During the financial year ended 31st March, 2017, two Remuneration Committee Meeting were held on 29<sup>th</sup> June, 2016 and 24<sup>th</sup> October, 2016.

The composition of the Remuneration Committee and attendance of Directors at Remuneration Committee Meeting is given below:

<b>Name of Director</b>	<b>Category</b>	<b>No. of Remuneration Committee meetings attended</b>
Shri M.L. Bhargava	Chairman	2
Shri Sanjay Solanki	Director (Part time)	1
Shri Nirmal Kumar Jain	Director (Independent Director)	2
Shri A. Muralidhar	Director (Part time)	2

**f) Other Major Committees of Directors:**

In addition to the above-referred Committees which are constituted pursuant to the Corporate Governance Code, The Board has constituted the major Committees of Directors and delegated thereto powers and responsibilities with respect to specific purposes. The Committees such as the CSR Committee, SD Committee, R & D Committee, Ethics Committee and Steering Committee having representation of Independent Director and meeting of them has been duly conducted as and when required. Company has a Whistle Blower Policy where no personnel has been denied access to the audit committee.

## **MANAGEMENT ANALYSIS AND DISCUSSION**

The Management discussion and analysis statements are attached to this report.

### **HUMAN RESOURCE MANAGEMENT:**

Your Company is committed to align its human resource development initiatives with strategic business objectives to achieve its organizational goals. The key areas under focus are skill development and capability build-up, talent acquisition, development and retention. Human Resource policies and processes of the company have transformed and evolved over the years in order to stay relevant to the changing environment, enhancement of organizational agility and ensure compliance with the changing rules and regulations from time to time. For maintaining the competitive advantage the company considers human resource as strategic resource to its strategy formulation processes and other long term decisions. Recruitment of the right kind of candidates is a critical activity where a lot of emphasis is given on talent acquisition, retention and training & development.

At the close of financial year 2016-17 the total number of employees on permanent rolls of the company is 239 which include satisfactory representation of the minorities following the Government of India policy.

The highly engaged and committed workforce ensures rise in productivity levels of the employees taking it towards nearly Rs. 100 lakh of revenue per employee in the current financial year.

#### **Training & Development**

Training and Development programs have been an integral part of the company and it deploys resources with emphasis on continuous learning for its employees. The company invests and encourages its employees to acquire newer technical as well as behavioral skills for improving quality, productivity and achieve excellence in their respective areas in order to stay with the change technologies and newer skills. In the financial year 2016-17 a total of 285 Man Days of training have been conducted for officers, supervisors and workers of the company.

#### **Promotion of Hindi Language**

The Company is continuously making vigorous efforts for the propagation and successful implementation of the Official Language Policy. The Official Language Implementation Committee regularly monitors and reviews the progress. To inculcate the knowledge of official language, training programme on Hindi Typing has been designed and implemented. Various competitions, prizes and incentives were declared by the Company for promoting the use of Hindi language in the fortnight long “Hindi Pakhwada”. Employees from non-Hindi speaking areas are also motivated for the same. The Company has actively participated in the various activities being organized by NARAKAS, Jaipur during the year 2016-17, and organized one Kavi Sammelan also on 11<sup>th</sup> June, 2017. The work done towards promotion of Hindi Rajbhasha was appreciated by Hon’ble Union Minister MoHI&PE during a review meeting held at Hyderabad.

#### **Corporate Social Responsibility**

In alignment with the vision of your Company, the CSR initiatives strive to enhance value creation in the society/community in which it operates, through its services, conduct and initiatives, to promote sustained growth in social well being. As a part of its initiative under the “Corporate Social Responsibility” (CSR) drive, the Company has undertaken projects in the area of rural development and promoting health care. These projects are in accordance with Schedule VII of The Companies Act, 2013 and Company’s CSR policy. The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure- B forming part of this Report.



## **Right To Information Act-2005**

The Company has implemented The Right To Information Act, 2005 that became effective from 12<sup>th</sup> October, 2005. With the coming into effect of the RTI Act, the Company has complied with the provisions of the Act and has placed the details like – name of Public Information Officer (PIO), Assistant Public Information Officer (APIO) and Appellate Authority on its website. The applications are replied within due time and the Act is followed with as per the laid down rules and regulations. The Company actively participated in Annual Convention of Central Information Commission (CIC) and shared the important provisions of the RTI Act 2005.

## **SUSTAINABLE DEVELOPMENT INITIATIVES:**

Your Directors are delighted to share the Sustainable Development (SD) Initiatives of the Company. The SD initiatives are in-built in the business operations of the Company. REIL, as a responsible Corporate, operate in a manner that meets the changing needs of its customers, and of society, in the best possible manner. The Company reviews its products & processes and updates to improve upon functional & environmental performance. While introducing new products & processes, our efforts have been to meet the customers' expectations and protecting the environment as envisaged in Sustainable Development Policy. The introduction of Solar Powered Products, wherever possible, is one of the initiative towards improving Sustainability.

The Policy, which states that “*We, at REIL, are committed to optimize the processes so as to make the operations Environment Friendly, Socially Responsible and Economically Sound*” provides framework for deriving the objectives and identification of initiatives. Efforts have been made to align the initiatives with the Sustainable Development Goals (SDGs).

## **The Projects & Impacts**

The Company uses Electricity from the State Distribution Company (JVVNL) as the primary source of energy. The company has a 1X250 KVA and 1X 500 KVA DG Sets also to provide back up in case of power outages. The major source of energy is the grid supply through JVVNL with 94% share in total consumption in REIL. The Energy Consumption in various processes/ areas is monitored continuously and efforts are made to continually improve the energy performance. It is pleasure to share that

- Energy Performance Index in office area improved by 40 % during the current year (saving of approx 40000 units) as compared to previous year.
- During the year the Company has achieved 0.91% increase in efficiency of 9875.25 CM<sup>2</sup> SPV Module size over previous year.
- Enhanced use of energy efficient equipments and energy efficient LED lights that have resulted in reduction of electricity consumption in SPV and EMA Production by 3.4% and 3.5% respectively.
- Generation efficiency of DG Sets improved by 10 % saving 517 Ltrs of diesel as compared to previous year as a result of regular maintenance and better load management.

Besides above, the Company pursues following projects in order to improve upon its environmental performance.

1. Creating sustainable development awareness through training programs by inviting internal & external faculties.
2. Monitoring of water consumption & maintaining Water Harvesting System.

3. Maintaining Green Area. Approx 25% of the area i.e. 10000 Sqm. is maintained green and Tree Plantation over 100 nos. is taken up every year.
4. Waste Management for improved cleanliness & sanitation.
5. Use of energy efficient tube lights/ Led lights in place of conventional tube lights etc.

The efforts brought laurels to the Company in the form of Awards and Recognition for contribution to Environment & Sustainability.

## **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- I. that in the preparation of the annual accounts for the financial year ended 31st March, 2017 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- II. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2016-17 and of the profit of the Company for that period;
- III. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. that the annual accounts have been prepared for the financial year ended 31st March, 2017 on a 'going concern' basis'
- V. that the Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- VI. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **STATUTORY AUDITORS**

The Comptroller & Auditor General of India (CAG) has appointed, M/s J.N. Gupta & Co., Chartered Accountants, Dausa as Statutory Auditors of your Company for the Financial Year 2016-17. The Auditors would be retiring at the conclusion of the Thirty Fifth Annual General Meeting.

The Statutory Auditors for the Financial Year 2017-18 will be appointed by the CAG. However, their remuneration is to be fixed at the AGM by the members.

The Auditor's Report is self-explanatory and do not call for any further comments.

## **COST AUDITORS**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. The Board of Directors has appointed M/s K.G. Goyal & Associates as Cost Auditors to conduct the Cost Audit for the year 2017-2018.

## **PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013**

There was no employee of the Company who received remuneration in excess of the limits prescribed under the Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence the information may be treated as NIL.

### **APPRECIATIONS & ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the continued co-operation and support extended to the Company by the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors gratefully acknowledge the ongoing co-operation and support provided by Central and State Governments and all Regulatory bodies.

The Board also gratefully acknowledges the support and guidance received from various Ministries of the Government of India, particularly the Department of Heavy Industry, in Company's operations and developmental plans.

The Directors takes it on record the opportunity and guidance provided by Ministry of New and Renewable Energy, Government of India, Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Government of India.

The Directors also express their sincere thanks to the Management of National Dairy Development Board, NDDDB Dairy Services, State Milk Federations, Food Safety and Standards Authority (FSSAI), PCDF and all leading brands such as Mother Dairy, Amul, PAAYAS, Nandani, Sanchi, Maahi, Banni, Shreeja etc. and Rajasthan Renewable Energy Corporation Ltd, Rajasthan Horticulture Development Society, Department of Rural Development and Panchayati Raj, Govt. of Rajasthan, Public Health Engineering Department(PHED), Govt. of Raj., NEDA, Govt. of UP, BREDA, EIL, CONCOR, Power Grid Corporation, Scooters India Limited, IOCL, MAZGAON DOCK, IIFCL, REC, EPIL, PFC and IREDA for their valuable support, assistance and the confidence reposed by them in the Company.

The Directors take this opportunity to express their thanks to the Management of Instrumentation Ltd., Kota and Rajasthan State Industrial Development & Investment Corporation Ltd., Jaipur for their continued support and guidance.

At last, Directors appreciate and value the contributions made by every member of REIL family.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Sd/-**

**CHAIRMAN**

**PLACE:** Jaipur

**DATE:** 27.09.2017

## Annexure to Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### a) CORPORATE OVERVIEW

The Rajasthan Electronics & Instruments Ltd., Jaipur (REIL) addresses needs of the rural sector through Solar Photo Voltaic products/systems, Milk testing and quality related needs of the milk co-operative and dairy industry through its ON/AT line milk analysis and automation solution and Information Technology & Communication applications for e-governance, dairy vertical, small business and Government sectors. The focus is on Shaping Rural India through Electronics, Renewable Energy & IT Solutions. Our products particularly impact the sectors of rural development, women empowerment, energy, power, and rural welfare, and contribute to the social and economic welfare of the rural masses.

#### b) ECONOMY

- Global economy growth continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies. Growth in emerging markets and developing economies is expected to pick up in 2017 on the back of fiscal stimulus measures in developed economies and narrowing of divergence between commodity exporters and importers.
- India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. Though India's fundamentals still remain strong, the recent demonetisation initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY16 to 6.8% in FY17. The Indian Government's decisive policy manoeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead. The Government announced demonetization of high value notes to hammer out black money and promote cashless transactions. Indian economy continue to show resilience to the uncertain and tighter global macroeconomic climate and thereby likely to remain the brightest spot among emerging economics.

#### c) INDUSTRY OVERVIEW

Due to resurgence of the Indian economy Companies are now focusing more on their core business objectives, such as revenue growth, profitability and asset efficiency.

The 'Make in India' program has been launched by Hon'ble Prime Minister of India to place India on the world map as a manufacturing hub and has given global recognition to the Indian economy. Sustained growth in manufacturing sector also depends on vertical as well as back and forth integration alignment with large size opportunities.

#### **Increasing trend towards dairy related products:**

The Indian Dairy Industry holds an inimitable space in the country for its high employment potential and for ensuring the availability of nutritious, yet affordable, food for India's ever-increasing population. Getting the tag of largest milk producer was made possible by Operation Flood and the historic dairy cooperative movement; and as production increased, the dairy industry started showing promising growth potential. Rising disposable incomes and growing demand for dairy products are likely to fuel the Indian dairy industry's growth over the next few years.

India is also one of the largest producers and consumers of dairy products. The Indian dairy industry also offers good opportunities to both domestic and foreign investors for entry and expansion. Due to their rich nutritional qualities, dairy products' consumption has been growing exponentially in the country; and considering various facts and figures, the study anticipates that milk production in India will further grow at a CAGR of around 14% between 2015-16 and 2021-22. Government of India is progressively taking initiatives to promote the dairy industry in India, in which inclination towards cattle breeding, clean milk production, dairy development, and feed fodder management are included. The Department of Animal Husbandry, NDDDB, and other government affiliated institutions manage these initiatives in a constructive way. Government of India has announced in Budget 2017-18 for setting up of "Dairy Processing & Infrastructure Development Fund" in NABARD with a corpus of Rs.2000 Crore which shall be increased to Rs.8000 Crore. The exponential growth of dairy industry offers good opportunities for dairy electronics equipments.

### **Increasing trend towards renewable energy:**

Global warming, climatic change, increasing costs of fossil fuel are driving the demand for renewed focus on Renewable Energy. The Government of India vision encouraged by present Prime Minister's to set up 1,00,000 Mw (100 Gw) of Solar Plants in the country by 2022 out of this 40,000 MW is through Solar Rooftop system. The objective of this mission is to establish India as a global leader in solar energy while giving impetus to domestic manufacturing base through domestic component requirement mode.

### **d) OPPORTUNITIES**

- The National Dairy Plan (upto 2022) offers potential of about Rs. 200 Crore, for dairy equipment, over the next 5 years towards infrastructure for Milk Production, Processing and Marketing.
- Government of India has announced in Budget 2017-18 for setting up of "Dairy Processing & Infrastructure Development Fund" in NABARD with a corpus of Rs.2000 Crore which shall be increased to Rs.8000 Crore.
- "Error free dairying" is new concept and it creates opportunity for GPRS based DPMCU and upgradation of existing more than 10,000 units as well as for new villages.
- Expansion of market for EMT/Milk analyzer (multi parameter) in new areas.
- Enforcement of FSSAI law offers huge demand for the Company's product (Electronic Milk Adulterant Tester).
- Expansion of market in North East states is creating another business opportunity.
- Market potential due to entry of private dairies and multi state cooperative dairies.
- Potential for Infrastructure development in Cold Milk Chain.
- Export in SAARC & African country.
- Government of India has undertaken an ambitious target of 1,00,000 MW Solar Power by the year 2022 out of this 40,000 MW is through Solar Rooftop system.
- Improved Renewable energy policy of Government of India offer opportunity in large MW size SPV Power Plants.
- Opportunity in SPV business in PSU, Industry and Academic institutions for their captive use.
- Use of SPV systems under CSR activity of Corporate Sector.
- Opportunity for Solar Projects in Smart Cities.
- Business opportunity as PMC being expert CPSE for solar grid connected projects under GOI Ministries/PSUs.
- Awareness on climatic changes and fall in prices offer opportunity for custom built applications across rural, urban and industry segments.
- Government has mandated domestic content requirement for promotion of domestic manufacturing of Solar Photovoltaic modules.
- Statutory examination conducting bodies for the electronic surveillance system & security equipment.
- Tourism sector business for tourist access & facilitation system in various historical monuments.

## **e) FUTURE PLAN OF ACTION**

We seek to further strengthen our position as a significant player with a forward-looking approach and future-centric growth strategy, REIL shall continue to make strategic investments in Research & Development, Manufacturing Capabilities, Diversification, Distribution, Marketing, Human Resource Development, project implementation capabilities and IT , in order to consolidate and expand its premier position and ranking in the industry. To achieve these goals, the Company seek to:

- Expand the customer base by approaching the private sector organizations entering into dairy industry and engaged in procurement of milk directly from the milk producers.
- Address similar needs of neighboring countries through structured efforts at overseas marketing.
- Develop/source products, to fill critical gaps in C2C, like SNF Tester, high-end/milk-product analysis/bacterial content measuring equipments, RFID based Animal identifications & database management system, e-sealing, VTS, SCADA, BMCs & MDTs etc.
- Continuous efforts to improve existing range, with objectives of additional features; improvements in the performance to maintain edge in respect of technology; user-need fulfillment and price competitiveness.
- Increase in Support services business through Call center based complaint management system, multi location component level repair workshop, spreading service set up in structured outsourced mode.
- Identification of sources & marketing/technology tie-ups for low cost milk analyzer, high end equipments & milk cold chain.
- SPV Power back up system for DPMCU/SDPMCU/AMCU.
- Development of Low Cost SPV Systems as per specific requirement of urban/rural market.
- Development of SPV systems for community applications and CSR projects for drinking water, lighting systems and communications.
- Tie-ups with financial institutions for facilitating finance for customers.
- Strategic partnership for procurement of raw material such as Solar cells, EVA, Tedlars etc. for cost reduction and timely supply of quality goods.
- Vertical integration & Modernization of manufacturing facilities.
- Augmentation of manpower for business growth.
- Development of Solutions for Live Web casting of examinations and Cell phone Jammers.
- Skilling the youth in the areas of Information technology/ Electronics/Solar Photovoltaics manufacturing under the “Skill India Mission”.
- Consideration of Company as alternative vendor with other PSUs by Election Commission of India, for manufacturing of voter verifiable paper audit trail (VVPAT) to be used with Electronic Voting Machines (EVMs), to meet huge requirement of these machines in short span of time.

## **f) Outlook, Risks and Concerns:**

This section contains forward looking statements that involve risks and uncertainties. The following list is outlook, risks and concerns:

- Intermittent dip in market share due to competition from low cost Milk Analyzer manufacturer/traders.
- Diverse paradigms in the Dairy Sector.
- Direct entry of past associate, FOSS Denmark, in the Indian Dairy sector.
- Gaps in product range and slower pace of upgradation impacting the market share in dairy sector.
- Dependence on competitors for Solar Cells.
- Entry/exit of new manufacturing units with ultra modern very high capacity crystalline cells and PV module manufacturing facilities, who have price advantage due to economies of scale.
- Entry/exit of new competitors/channel partners from unorganised sector with low-cost thin film technology PV module.

- Cut-throat competition in domestic as well as international market.
- Global fluctuation in availability of Silicon for solar cells.
- Substantial reduction & sometimes inconsistent reduction in the prices of wafers, cells, modules and systems.
- Cash flow imbalances due to delay in realizations/debt turning risky, from larger buyers with sanctioned plans but exceptional delay in flow of funds.
- Wide volatility in exchange rates resulting in mismatching of input and output ratio as well as postponement of purchase decisions of the customers.
- Large Project business not picking up as expected.
- Continued dumping of modules by China, Taiwan etc., at very low prices.
- Possibility of increase in cost due to GST implementation.
- Heavy Dependence on Government fund release.
- Retention of funds towards long terms performance guarantee for 5/10 years.
- Delay & hindrances in implementation of net metering policy.

As the Indian economy continues to grow, the outlook for the sector is quite optimistic with ample market opportunities available for us.

### **g) Internal control system and its adequacy:**

The Company has developed Internal Control System in its various business processes, commensurate with size & nature of business to help achieve its objectives. Adequate internal control measures are in the form of various codes, manuals and procedures issued by the management covering all critical and important activities viz. Purchase, Material, Stores, Works, Finance, and Personnel etc. In order to ensure that all checks and balances are in place and all internal control system are in order, regular and exhaustive internal audit of various divisions are conducted by firm of Chartered Accountants. Internal control system ensures complete compliance with laws, regulations, standards and internal procedures and systems.

In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

### **h) Risk management report:**

#### **Overview**

A robust Risk Management framework supports your Company's business strategy and operations. Risk Management framework is constantly updated for new and emerging risks emanating from business expansion and interests. Our management systems, organisational structures, processes, standards and code of conduct together form the system of internal controls that govern how we conduct business and manage associated risks. We have a multilayered risk management framework to effectively mitigate the various risks, which our businesses are exposed to in the course of their operations.

Risk Management aims to ensure timely and prudent decisions to:

- Maximize positive impacts of opportunities.
- Minimise negative impacts of risks.
- Convert risks into opportunities.

## **Key components of REIL Risk management framework:**

**Risk Categories-** we have categorized the risk under following heads:

- **Strategy:** Risks relating to the strategies, we formulate on markets, resources and business model.
- **Industry:** Risk related to the industry changes including competitive structure, technological advancement, economic environment and regulatory structure.
- **Resources:** Risk arising from inappropriate utilization of key resources such as human resource, capital and infrastructure.
- **Operation:** Risk related to operations of the Company such as acquisition of client, service delivery and business support activities.
- **Counterparty:** Risk arising from our association with entities like clients, vendors etc.

**Risk Management Practices-** The key risk management practices include the following reporting process.

- Risk Identification and Assessment
- Risk Evaluation
- Risk Reporting and Disclosures
- Risk Mitigation and Monitoring
- Integration with Strategy and Business Plan

Risks are governed by the Board of Directors, Managing Director and the heads of concerned departments.

### **i) Analysis and Review**

#### **The Electronics & Information Technology Division:**

##### **a) Electronics:**

The Electronics division is holding the most prominent position in the Dairy Industry through its customer focused approach by way of ensuring prompt products deliveries and after sales support. Besides achieving business targets, the focus of the division has been to satisfy its esteemed customers.

The division continuously provides best services to its customer through deployment of accurate and reliable testing equipment at village level / milk collection centre in the villages and strategically manpower deployment throughout the country. This has helped the company to obtain a trustworthy position in the dairy industry. It has developed lot of trust in milk producers and thus REIL products has become a vital equipment during all round growth of dairy industry.

Division has contributed in Government's "Digital India" Mission by way of incorporating more than 5000 such units GPRS in existing DPU based MCU to bring more transparency among the milk producer and the producer company.

Division achieved a turnover of Rs. 82.56 Crore during the year 2016-17 and deployed app. 10924 Milk analyser and automation solutions including Electronic Milk Testers (EMT), Electronic Milk Adulteration Tester (EMAT), Milk Analysers, Auto-EMT, Automatic Milk Collection Units (AMCU), DPU based MCU, SPV Based DPU MCU, Raw Milk Reception Dock (RMRD), Integrated Milk Management Software, Vehicle tracking systems, Electronic Weigh Scales etc.

Division also received orders under National Dairy Plan (NDP), which comprise of 155 nos of AMCU and 1037 nos. of SPV based DPMCU from various EIA (End Implementing Agency) across the country. Moreover the division has also served 02nos of EMAT & 02nos AMCU w/o EMT/SL-30 to Port Blair, Andman & Nicobar.



Under the joint initiatives of Government of India and Government of Maharashtra for the drought prone area-Vidarbha, the division has deployed Data Processor Milk Collection Units and Automatic Milk Collection Units in Villages, for upliftment of rural masses.

The need of hour “**online connectivity between Village Milk cooperative society & Dairy Plant**”, REIL grabbed orders for 7658 DPU based systems to be deployed in the state of Lucknow. This will facilitate the dairy plant to get online milk collection information directly from village Milk collection centers.

The division has also deployed 107 nos. of Electronic Milk Adulteration Tester (EMAT). It is an ideal low cost solution to discriminate between genuine and spurious milk.

Continued patronage for the company product has placed REIL as a market leader in Indian dairy Industries. This has brought a lot of benefits to our esteemed customer in terms of working with existing technology, up gradation of old technologies, adopting new technologies, embedding different technologies and thus fulfilling the generating needs mainly for milk analysis, atomization of milk collection, process, control and monitoring, data management, data analysis and control to achieve the overall aim of qualitative and quantitative produce of milk and milk products.

The customer satisfaction is directly linked with the performance of the product. To ensure uninterrupted functioning of the products, the division is giving due importance to training to customers on system operation & maintenance. On-site training programmes have been arranged for customers and employees. The trainers are also given refreshers periodically to update them. This is not only upgrades the skill of employees but also motivates them to perform still better.

The deployment of dairy electronics products is increasing every year. With a population of 1,16,000+ nos. of Electronic Milk testers/Auto EMT(s), 48000+ nos. of DP / DPEMT / DPMCU / AMCU/ DPU Milk Collection Stations & 33000+ no(s) Milk Analyzers, the company is virtually leading the market.

The division remains in touch with customers through its Regional Offices & Field Maintenance Centers strategically located all over the country to provide prompt after sales support. Regional Coordination Group at Headquarters provides backup support to the field network.

#### **b) Information Technology:**

The Company successfully provided the services to the Election Department, Rajasthan for fifth consecutive year as State Level Agency (SLA) for Electoral Rolls Management Systems (ERMS) and Electoral Photo Identity Cards (EPIC) data management for around 4.40 Crore voters of the state of Rajasthan. During this period the Company has also developed online part-rationalization software and successfully implemented for 49,954 polling booths.

The Company has successfully completed the digitization, data processing of Registration forms & Examination forms, generation of Hall tickets, secrecy work for evaluation of answer sheets, OMR sheet processing for preparation of result, various reports, and delivery of certificates of Secondary and Senior Secondary for 1.17 Lakh students for the Main exam April-May 2016 & 50,446 students for Supplementary exam Nov-Dec 2016 for Rajasthan State Open School, Jaipur. It has developed online web application software for Registration of students with the Rajasthan Payment Platforms (RPP) gateway of e-Mitra aligning it with objective of cashless economy for Rajasthan State Open School.

Set-up of digitization lab and completed digitization and indexing work of approximately 7.5 Lac photo negatives (Black & white and color) for Department of Information and Public Relations (DIPR), Government of Rajasthan.

The Company has received order from Rajasthan State Land Development Bank (RSLDB) for implementation of application software for the Primary Land Development Bank, Jaipur and its six branch offices located at Chaksu, Chomu, Jaipur, Phagi, Sambhar and Shahpura.

The Company has designed, developed and successfully implemented the web based application for Directorate of Gopalan, Government of Rajasthan. On-line AID management system is implemented, which benefited in easy execution of Grant-in-AID schemes declared for relief of Gaushala for benefits of animal throughout the state.

The Company has received order from Rajasthan Livestock Development Board, Jaipur for development of application software for web based online Animal Insemination Monitoring system.

The Company also acquired and executed the order from Andaman & Nicobar Islands Integrated Development Corporation Ltd., Port Blair for supply of Hand Held Computer based Milk Collection Terminal. The Company has also bagged and executed the order received from the Directorate of Women Empowerment, Government of Rajasthan for supply of Computer Hardware.

The division also conducted the IT Industrial training for the Engineering students of the Computer Science, Information Technology and Electronics branches.

### **Renewable Energy & New Project Division:**

#### **a) Renewable Energy:**

During the year RE Division achieved turnover of Rs 145.93 Crores in Renewable Energy Products.

Company is working in the area of Rooftop Solar business with Net metering policy. During financial year projects of approximately 2 MWp SPV Rooftop systems were executed by the company. Apart from this company has also received orders to the tune of Rs. 8.91 Cr. under Smart City Mission from Jaipur Smart City Limited for Jaipur and Udaipur Smart City Limited for Udaipur.

Company successfully commissioned **1 MW Solar Power plant at Indian Oil Corporation Limited (IOCL) Refinery** for generation of about 1.25 Lac units monthly.

In SPV Home Lighting Segment, the Company provided solution and lighted more than 28000 homes, fulfilling electricity needs of un-electrified villages and several Hamlets across the state of Rajasthan and in Uttar Pradesh under Mukhyamantri Grameen Vidyutikaran Yojana (MMGY) and similar schemes.

Under Green initiatives, the Company has converted the International Horticulture Innovation and Training Center (IHITC) into Net Zero Building with the use of 100 KWp SPV Grid interactive Power Plant and Solar PV Pumping Systems.

Under CSR business for PSUs, the Company further extended its wings and apart from CONCOR and POWER GRID, it also did CSR business with IREDA, MAZGOAN DOCK, IIFCL, EIL, EPIL, REC, PFC and more than 5000 nos. SPV SLSs were supplied and installed under CSR business.

Company pursued in its core area of de-centralized solar power packs through deployment of SPV Home lighting system for Un-electrified villages/ dhanis order worth more than Rs. 2.26 Crore received from RREC.

Company deployed about 500 Solar Water Pumping Systems for drinking water and agriculture needs against orders received from PHED and Horticulture department, Government of Rajasthan.

#### **b) New project:**

REIL, having established itself as a brand in the Dairy & SPV Industry through its quality products & services, diversified into Electronic Security Solutions and Energy Management Systems in order to establish a new business area and provide quality and reliable product & services.

In continuation of executing online security surveillance projects, The Company had successfully executed the prestigious projects of “Webcasting (Online Monitoring) of Exams hall of Board Exams16-17 & Suppl. Exams16” received from the Board of Secondary Education, Rajasthan, Ajmer. Under this project system was designed, developed and deployed to meet the online surveillance need of the Board to ensure conducting of free, fearless & fair examination providing equal opportunity to all. Over 4500 Nos. Cameras/ Tablets were installed in around 270 Exam Centers/collection centers distributed all over the state of Rajasthan.

Beside above, the Company also addressed the need of security and surveillance of Women/girls through deployment of IP based CCTV surveillance system in the biggest women college of Rajasthan – The University Maharani College. Total 52 Nos. Cameras were installed in the College premises & Girls Hostels.

An Agreement has been signed with Transport Department, Govt. of Rajasthan for the “Networking of Computerised Pollution Checking Centres in Rajasthan” in FY 2016-17. Presently there are approx. 800 Nos Authorized Pollution Check Centers in the state. The Complete Online Networking solutions includes Customized Software, Hardware, Lease Lines, Server/ cloud server, SMS sending, Notice generation etc. and shall eliminate malpractices in the previously manual system.

The Company is also working in the field of Vehicle Tracking System (VTS). At present, Total 433 Nos VTS units are operational in Jaipur Nagar Nigam vehicles. The RTO/DTO vehicles (Total 155 Nos.) are also equipped with VTS as per the order from the Transport Department.

The Company is working as Project Management Consultant (PMC)/Annual Maintenance Contract (AMC) for the replacement of conventional street lights with energy efficient LED lights in the state of Rajasthan and installed around 70000 Nos. Lights in FY 2016-17. The cumulative figure has reached up to 2.65 Lakh lights in 17 ULBs of Rajasthan since starting of the project in 2015-16.

Rajasthan government has taken an initiative to replace existing conventional street lights with energy efficient LED lights. Under this project over 12.5 Lakh lights will be replaced in 189 ULBs with LED lights maintaining the LUX level as per Indian Road Congress while reducing the load by 50%. The project is based on Energy Services Company (ESCO) mode. The aim of this project is to reduce energy consumption by at least 50%.

The state of Rajasthan has identified Jaipur, Udaipur, Kota and Ajmer to be developed as smart cities. The company has been nominated as nodal agency to implementation of Solar Energy Projects in these Cities.

## **SYSTEMIC IMPROVEMENT**

Improved the visibility and business presence of the Company, achieved sales target while working for larger territorial footprint, wider customer base and more high-value projects. The systemic and project-oriented disposition ensures all-round focus (financial, timeliness, cost controls, customer satisfaction etc.) to the task/large projects at hand to the benefit of the organization.

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014

## I. REGISTRATION AND OTHER DETAILS

i.	CIN	U51395RJ1981GOI002249
ii.	Registration Date	12 <sup>th</sup> June, 1981
iii.	Name of the Company	RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
iv.	Category / Sub-Category of the Company	Central Public Sector Enterprise /Company Limited by shares
v.	Whether listed company Yes / No	No
vi.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

SL. No.	Name and Description of main products/services	NIC Code of the product/service *	% to total turnover of the Company
1.	Dairy Agro Electronics Equipment such as EMT, EMAT, DPMCU, Milk Analyser, and AMCU	265 - Manufacture of measuring, testing, navigating and control equipment	35.48
2.	Solar Photovoltaic Modules Systems.	351- Electric power generation, transmission and distribution	64.62

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

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

SL. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable section
1.	Instrumentation Limited	Jhalawar Road, Kota-324005	U29299RJ1964GOI001174	Holding	51%	2(46)

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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2016)				No. of Shares held at the end of the year (As on 31-03-2017)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
(2) Foreign									
a) NRIs -Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A)(2)	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00

<b>2. Non-Institutions</b>	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
a) Bodies Corp. i) Indian ii) Overseas									
b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh									
c) Others									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>N.A.</b>	<b>12250000</b>	<b>12250000</b>	<b>100%</b>	<b>N.A.</b>	<b>12250000</b>	<b>12250000</b>	<b>100%</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Instrumentation Limited, Kota	6247500	51	-	6247500	51	-	-
2.	Rajasthan State Industrial Development & Investment Corporation Ltd. Jaipur	6002500	49	-	6002500	49	-	-
	<b>Total</b>	<b>12250000</b>	<b>100</b>		<b>12250000</b>	<b>100</b>		

**(iii) Change in Promoters' Shareholding as on March 31, 2017 (Please specify, if there is no change)**

	Shareholding at the beginning of the year (As on 01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,22,50,000	100	1,22,50,000	100
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
At the End of the year	1,22,50,000	100	1,22,50,000	100

*Note: There is no change in the total shareholding of promoters between 01-04-2016 and 31-03-2017*

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

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
At the beginning of the year	NIL			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):				
At the End of the year ( or on the date of separation, if separated during the year)				

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

For Each of the Directors and KMP	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	NIL			
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):				
At the End of the year				

**V. INDEBTEDNESS**

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

(Rs. in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
• Addition	116.80	Nil	Nil	116.80
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	116.80	Nil	Nil	116.80
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	116.80	Nil	Nil	116.80
ii) Interest due but not paid	.06	Nil	Nil	.06
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	116.86	Nil	Nil	116.86



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakh)

SL. No.	Particulars of Remuneration	Name of Managing Director	
		Shri A.K Jain	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		29.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		2.88
	(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 i.e. PF and Pension		2.34
	Total (A)		34.33

### B. Remuneration to other directors:

(Rs. in Lakh)

SL. No.	Particulars of Remuneration	Name of Directors	
		Shri M.L. Bhargava	Shri Nirmal Kumar Jain
1.	Independent Directors		
	• Fee for attending board / committee meetings	0.51	0.55
	• Commission		
	• Others, please specify		
	<b>Total (1)</b>	0.51	0.55
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	Nil	Nil
	• Commission		
	• Others, please specify		
	<b>Total (2)</b>	Nil	Nil
	<b>Total (B)=(1+2)</b>	0.51	0.55
	<b>Total Managerial Remuneration</b>		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. in Lakh)

SL. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO (Shri Subhash Agrawal)	Company Secretary (Shri Amit K. Jain)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Not Applicable	19.00	6.40	25.40
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit - others, specify...		-	-	-
5	Others i.e. PF and Pension		1.58	0.55	2.13
	Total		20.58	6.95	27.53

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

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

NIL

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17**

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Corporate Social Responsibility in REIL is a continuing commitment to behave ethically and contribute to harmonious and sustainable development of society and planet through business, while improving the quality of life of the community and the society.  A gist of the programs that the Company can undertake under the CSR policy is mentioned on Company's website.
2.	The composition of CSR Committee.	Shri M.L. Bhargava, Chairman Shri A.K Jain, Member Shri Sanjay Solanki, Member Shri A. Muralidhar, Member Shri Nirmal Kumar Jain, Member
3.	Average net profit of the Company for last three financial years	Rs. 1954.00 Lakh
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	Rs. 39.00 Lakh
5.	Details of CSR spent during the financial year:	
	a. Total amount spent for the financial year	Rs. 58.95 Lakh
	b. Amount unspent, if any	Nil
	c. Manner in which the amount spent during the financial year	Attached

**DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-17**

(In Rs.)

1	2	3	4	5	6	7	8
S. No.	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMMES  (1) LOCAL AREA OR OTHER  (2) STATE OR DISTRICT WHERE PROJECTS OR PROGRAMME WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMME WISE (In Rs.)	AMOUNT SPENT ON THE PROJECT OR PROGRAMMES SUBHEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVERHEADS (In Rs.)	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD (In Rs.)	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY (In Rs.)
1.	(i) Deployment of Solar Power System (1.12 Kwp) <b>(10 Nos.)</b>  (ii) Deployment of Solar Power System (120 Wp) <b>(1 No.)</b>  (iii) SPV LED Street Lights 75 Wp Module 12W LED <b>(04 Nos.)</b>	Renewable Energy/Solar	Sawai Madhopur (Rajasthan), Chinhat (U.P.), Mainpuri (U.P.), Agra (U.P.), Kannoji (U.P.), Tonk (Rajasthan), Jaipur (Rajasthan), Ajmer (Rajasthan), Kharad (Punjab), Anand (Gujarat)	2367000.00	2410865.00	2410865.00	Direct
2.	Deployment of Solar Powered Water Purification System <b>(01 No.)</b>	Renewable Energy/Solar/Health	Jaipur (Rajasthan)	700000.00	587185.00	2998050.00	Direct
3.	Organized Free Medical/Health Camp <b>(05 Nos.)</b>	Medical/Health	Jaipur (Rajasthan)	348000.00	222203.00	3220253.00	Direct
4.	Renovation of toilet under Swachh Bharat Campaign	Swachh Bharat Abhiyan	Jaipur (Rajasthan)	125000.00	119179.00	3339432.00	Direct

5.	Deployment of Stainless Steel Group Hand Wash-basin/Shrink (12 Nos.)	Swachh Bharat Abhiyan	Jaipur (Rajasthan)	260000.00	269087.00	3608519.00	Direct
6.	Engagement of Apprenticeship under Apprenticeship Act	Training/ Education	Jaipur (Rajasthan)	100000.00	2286525.00	5895044.00	Direct

6. In case the Company has failed to spend to two percent, of the average net profit of the latest three financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

**Though during the year Company has incurred CSR expenditure of Rs. 58.95 Lakh against required amount of Rs. 39.00 Lakh. After adjusting carry forward balance of 2015-16 of Rs. 37.54 Lakh balance of Rs. 17.59 Lakh remains unspent due to some of the programmes in the areas of healthcare, education and promoting employability are multiyear project and will be incurred in next year.**

7. The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company

‘The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.’

Sd/-

(Managing Director)

Sd/-

(Chairman of CSR Committee)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013, ON THE FINANCIAL STATEMENTS OF RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR, FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

The preparation of financial statements of Rajasthan Electronics and Instruments Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 August, 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statement of Rajasthan Electronics and Instruments Limited for the year ended 31 March 2017 under section 143(6)(a) of the Act.

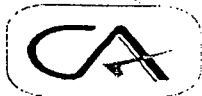
For and on behalf of the  
Comptroller & Auditor General of India

Sd/-

**(Nandana Munshi)**

**Director General of Commercial Audit  
and Ex-Officio Member, Audit Board-II  
New Delhi**

**Place: New Delhi  
Dated: 12.09.2017**



**J. N. GUPTA & CO.**  
**Chartered Accountants**

**Phone (O) 01427-221389**

**(M) 9828012822**

**(M) 9829634307**

**E-Mail : [Cajmg@rediffmail.com](mailto:Cajmg@rediffmail.com),**  
**New Mandi Road, Mangnaji, Dausa**  
**West Gate Ke Pass -Pin No -303303**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR.**

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

We have audited the accompanying Ind AS financial statements of RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 significant accounting policies and other explanatory information.

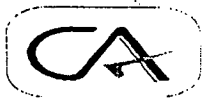
### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profits (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.





**J. N. GUPTA & CO.**  
**Chartered Accountants**

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**(M) 9829634307**

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**New Mandi Road, Mangraj, Dausa**  
**West Gate Ke Pass -Pin No -303303**

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profits 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 of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 17.08.2016 and 20.08.2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

#### **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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(5) of the Act, we give in the Annexure-II the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and financial statement of the Company.







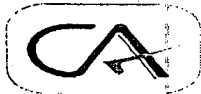
**J. N. GUPTA & CO.**  
**Chartered Accountants**

**Phone (O) 01427-221389**  
**(M) 9828012822**  
**(M) 9829634307**

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**West Gate Ke Pass -Pin No -303303**

3. 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 purpose 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, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. Being a Government Company, pursuant to the Notification No. G.S.R. 463(E) dated 5th June, 2015, issued by the Government of India, provisions of sub-section(2) of section 164 of the Act, is not applicable to a Government Company;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure III" to this report;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements-Refer Note 22.1(b) & (c) and 37(H) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.





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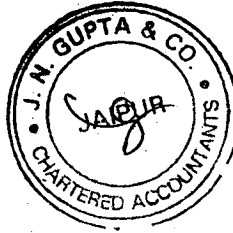
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- iv. The Company had provided requisite disclosures Note 37(E) to the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same were in accordance with the books of accounts maintained by the Company. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

**For J.N. GUPTA & CO.**  
**Firm Registration Number: 006569C**  
**Chartered Accountants**

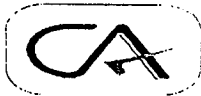
**(CA Gopal Gupta)**  
**Partner**

**Membership No. 408839**



**Place: Jaipur**

**Date: 24-08-2017**



**J. N. GUPTA & CO.**  
**Chartered Accountants**

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**(M) 9828012822**

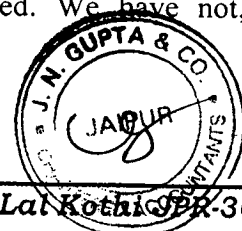
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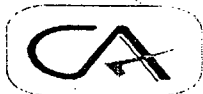
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**ANNEXURE I REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING  
"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR  
REPORT OF EVEN DATE**

**Re: Rajasthan Electronics & Instruments Limited (the Company)**

- (i) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in fixed assets are held in the name of the company
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electrical goods and electronics machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.





**J. N. GUPTA & CO.**  
**Chartered Accountants**

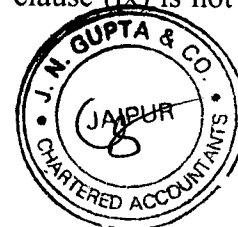
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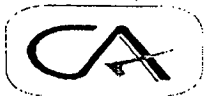
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- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the records of the Company, the dues outstanding of income-tax and service tax, on account of any dispute, are as follows:-

Name of Statute	Nature of the Dues	Disputed Amount (Rs. In Lac)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Service Tax	3.82	F.Y. 2009-10 (vide order dtd.24-07-12)	Commissioner (Appeals) Jaipur
Income Tax Act	Income Tax	0.24 35.30 1.02	F.Y. 2007-08 F.Y. 2008-09 F.Y. 2012-13	Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.






**J. N. GUPTA & CO.**  
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- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to Government Companies.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For J.N. GUPTA & CO.**  
**Firm Registration Number: 006569C**  
**Chartered Accountants**

  
**(CA Gopal Gupta)**  
**Partner**

**Membership No. 408839**



**Place: Jaipur**

**Date: 24-08-2017**



**J. N. GUPTA & CO.**  
**Chartered Accountants**

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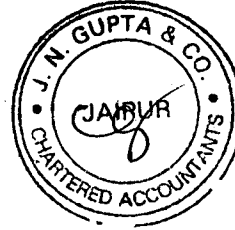
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**Annexure -II to the Independent Auditor's Report under section 143(5) of the Act.**

**(Referred to in our report of even date to the members of Rajasthan Electronics & Instruments Ltd. as at and for the year ended 31<sup>st</sup> March, 2017)**

**Directions**

1. Based on the audit procedures performed by us and as per the information and explanation given to us, the Company has clear title deeds for lease hold land.
2. The Company has not waived/written-off any debts/ loan or interest during the year under consideration.
3. Based on the audit procedures performed by us and as per the information and explanations given to us, proper records are maintained for inventories lying with third parties and assets received as gift/grant from the Govt. or other authorities.





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**ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE FINANCIAL STATEMENTS OF RAJASTHAN ELECTRONICS &  
INSTRUMENTS LIMITED.**

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Rajasthan Electronics & Instruments Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

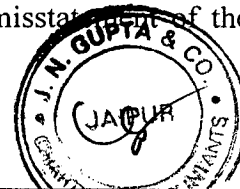
**Management's Responsibility for Internal Financial Controls**

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

**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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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





**J. N. GUPTA & CO.**  
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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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

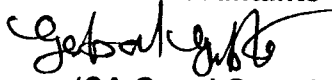
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 J.N. GUPTA & CO.**  
**Firm Registration Number: 006569C**  
**Chartered Accountants**

  
**(CA Gopal Gupta)**

**Partner**  
**Membership No. 408839**



**Place: Jaipur**

**Date: 24-08-2017**



Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>I. Non-current Assets</b>				
(a) Property, plant and equipment	5	20,64,58,754	20,74,25,696	21,47,01,044
(b) Capital work-in-progress	5	7,81,24,877	1,18,11,481	14,89,305
(c) Intangible assets				
(i) Technical Know How	6	2,47,192	10,70,788	18,94,384
(d) Financial assets				
(i) Trade receivables	7	2,79,90,773	1,39,58,684	37,40,978
(ii) Other financial assets	9A	21,07,021	21,71,336	18,73,869
(e) Other non-current assets	12A	1,61,231	2,10,567	44,76,071
<b>Total Non-current Assets</b>		<b>31,50,89,848</b>	<b>23,66,48,552</b>	<b>22,81,75,651</b>
<b>II. Current Assets</b>				
(a) Inventories	10	21,58,31,838	18,65,81,879	17,40,71,457
(b) Financial assets				
(i) Trade receivables	8	1,62,80,40,822	1,39,23,61,262	1,17,47,88,861
(ii) Cash and cash equivalents	11	5,41,53,761	2,14,29,208	4,54,89,782
(iii) Bank balances other than (ii) above	11	11,62,99,456	19,77,50,453	13,72,12,785
(iv) Other financial assets	9B	4,02,79,870	3,25,47,770	3,87,22,032
(c) Other current assets	12B	2,82,71,237	1,30,71,634	3,45,71,852
<b>Total Current Assets</b>		<b>2,08,28,76,984</b>	<b>1,84,37,42,206</b>	<b>1,60,48,56,769</b>
<b>TOTAL ASSETS (I + II)</b>		<b>2,39,79,66,832</b>	<b>2,08,03,90,758</b>	<b>1,83,30,32,420</b>
<b>EQUITY AND LIABILITIES</b>				
<b>I. Equity</b>				
(a) Equity share capital	13	12,25,00,000	12,25,00,000	12,25,00,000
(b) Other Equity	14	98,46,64,520	91,58,44,198	81,77,91,690
<b>Total Equity</b>		<b>1,10,71,64,520</b>	<b>1,03,83,44,198</b>	<b>94,02,91,690</b>
<b>LIABILITIES</b>				
<b>II. Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	10,47,579	-	-
(b) Provisions	17A	28,21,332	26,95,685	10,67,100
(c) Deferred tax liabilities (Net)	18	2,72,22,791	3,74,83,787	4,08,23,916
(d) Other non-current liabilities	19A	4,34,63,661	7,68,66,960	10,39,89,115
<b>Total Non-current Liabilities</b>		<b>7,45,55,363</b>	<b>11,70,46,432</b>	<b>14,58,80,131</b>
<b>III. Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	20	88,11,72,829	78,46,20,916	62,95,00,111
(ii) Other financial liabilities	16	3,69,52,913	1,56,05,161	1,36,96,754
(b) Provisions	17B	1,72,51,178	2,66,55,974	1,23,35,917
(c) Current tax liabilities (Net)	21	53,97,458	94,52,507	2,19,78,886
(d) Other current liabilities	19B	27,54,72,571	8,86,65,570	6,93,48,931
<b>Total Current Liabilities</b>		<b>1,21,62,46,949</b>	<b>92,50,00,128</b>	<b>74,68,60,599</b>
<b>IV. Total Liabilities (II + III)</b>		<b>1,29,08,02,312</b>	<b>1,04,20,46,560</b>	<b>89,27,40,730</b>
<b>TOTAL EQUITY AND LIABILITIES (I + IV)</b>		<b>2,39,79,66,832</b>	<b>2,08,03,90,758</b>	<b>1,83,30,32,420</b>

See accompanying notes to the Financial Statements ( 1-37 )

As per our report of even date attached  
For & on behalf of J.N. Gupta & Co.

Chartered Accountants

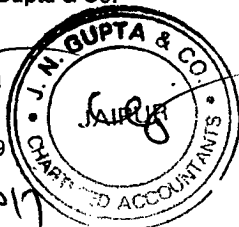
FRN 006569C

Gopal Gupta  
Partner

Membership No. 408839

Place: Jaipur

Date: 24-08-2017



For and on behalf of the Board

( Anupama Sharma )  
Director

( Amit Kumar Jain )  
Company Secretary

( A.K. Jain )  
Managing Director

( Subhash Agrawal )  
Addl. Gen. Manager (Fin.)


**Rajasthan Electronics & Instruments Limited**  
**Statement of profit and loss for the year ended March 31, 2017**

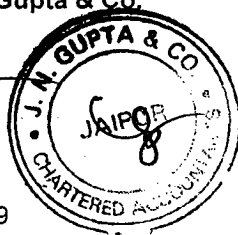
(All amounts in ₹, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from Operations	23	2,30,36,59,784	2,14,31,51,361
II. Other income	24	2,66,89,958	3,04,56,677
<b>III. Total Income (I + II)</b>		<b>2,33,03,49,742</b>	<b>2,17,36,08,038</b>
<b>IV. Expenses</b>			
Cost of material consumed	25	1,43,37,50,394	1,35,88,02,685
Change in inventories of finished goods and Work-in-progress	26	(9,84,882)	(1,80,490)
Employee benefits expense	27	25,63,94,334	25,27,96,786
Excise Duty		1,87,06,300	1,57,67,666
Finance costs	28	1,82,94,991	1,55,56,997
Depreciation and amortisation expenses	29	1,83,26,425	1,83,24,293
Other expenses	30	41,21,21,216	33,47,65,952
<b>Total expenses</b>		<b>2,15,66,08,778</b>	<b>1,99,58,33,889</b>
V. Profit before tax		17,37,40,964	17,77,74,149
<b>VI. Less: Tax expense</b>	31		
1. Current tax		6,14,70,050	5,89,97,960
2. Deferred tax		(92,14,247)	(34,91,086)
<b>Total tax expense</b>		<b>5,22,55,803</b>	<b>5,55,06,874</b>
<b>VII. Profit for the year (V - VI)</b>		<b>12,14,85,161</b>	<b>12,22,67,275</b>
<b>VIII. Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans		(30,24,588)	4,36,190
B (i) Income tax relating to items that will not be reclassified to profit or loss		10,46,749	(1,50,957)
<b>Total other comprehensive income (VIII=A (i)+B(i))</b>		<b>(19,77,839)</b>	<b>2,85,233</b>
<b>IX. Total comprehensive income for the year (VII + VIII)</b>		<b>11,95,07,322</b>	<b>12,25,52,508</b>
Earnings per equity share	32		
(1) Basic (in Rs.)		9.76	10.00
(2) Diluted (in Rs.)		9.76	10.00

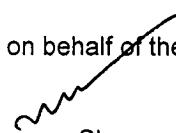
See accompanying notes to the Financial Statements ( 1-37 )

As per our report of even date attached  
For & on behalf of **J.N. Gupta & Co.**  
Chartered Accountants  
FRN 006569C


  
**Gopal Gupta**  
Partner  
Membership No. 408839  
Place: Jaipur  
Date: 24-08-2017



For and on behalf of the Board

  
( Anupama Sharma )  
Director

  
( A.K. Jain )  
Managing Director

  
( Amit Kumar Jain )  
Company Secretary

  
( Subhash Agrawal )  
Addl.Gen.Manager(Fin.)

Rajasthan Electronics & Instruments Limited  
Statement of cash flows for the year ended March 31, 2017

(All amounts in ₹, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash flows from operating activities</b>		
Profit for the year	11,95,07,322	12,25,52,508
Adjustments for:		
Income tax expense recognised in profit or loss	5,22,55,803	5,55,06,874
Other Comprehensive Income	19,77,839	(2,85,233)
Finance costs recognised in profit or loss	1,82,94,991	1,55,56,997
Interest income recognised in profit or loss	(1,34,89,296)	(2,40,79,855)
Loss/(profit) on disposal of property, plant and equipment	(5,232)	1,57,101
Loss on written off of property, plant and equipment	-	7,40,510
Depreciation and amortisation	1,83,26,425	1,83,24,293
	<b>19,68,67,852</b>	<b>18,84,73,195</b>
Movements in working capital:		
(Increase) / Decrease in trade receivables	(24,97,11,649)	(22,77,90,107)
(Increase) / Decrease in other assets	(2,18,21,424)	3,22,73,919
(Increase)/Decrease in inventories	(2,92,49,959)	(1,25,10,422)
Increase/ (Decrease) in trade payables	9,65,51,913	15,51,20,805
Increase/(Decrease) in provisions	(1,23,03,737)	1,63,84,832
Increase/(Decrease) in other payables	16,47,51,454	(58,97,109)
	<b>(5,17,83,402)</b>	<b>(4,24,18,082)</b>
Cash generated from operations	<b>14,50,84,450</b>	<b>14,60,55,113</b>
Income taxes (paid)/ Refund received	(6,55,25,099)	(7,15,24,339)
<b>Net cash generated by operating activities</b>	<b>7,95,59,351</b>	<b>7,45,30,774</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment	(8,34,86,406)	(2,15,35,136)
Proceeds from disposal of property, plant and equipment	9,625	90,000
Interest Income	1,24,92,668	2,34,48,453
<b>Net cash (used in)/generated by investing activities</b>	<b>(7,09,84,113)</b>	<b>20,03,317</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Borrowings	1,16,80,309	-
Dividends paid on equity shares	(4,21,13,563)	(2,03,55,997)
Dividend Tax Paid	(85,73,437)	(41,44,003)
Interest paid (Finance cost paid)	(1,82,94,991)	(1,55,56,997)
<b>Net (used in)/ generated in financing activities</b>	<b>(5,73,01,682)</b>	<b>(4,00,56,997)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(4,87,26,444)</b>	<b>3,64,77,094</b>
Cash and cash equivalents at the beginning of the year*	21,91,79,661	18,27,02,567
<b>Cash and cash equivalents at the end of the year*</b>	<b>17,04,53,217</b>	<b>21,91,79,661</b>

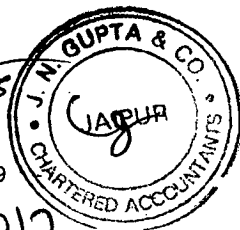
1. The above cash flow statement prepared under the "Indirect method" as set out in the Ind AS 7 "Cash flow statement".  
2. Brackets indicates cash outflow.

See accompanying notes to the Financial Statements ( 1-37 )

\*Cash and cash equivalents include other bank balances as per Note 11

As per our report of even date attached  
For & on behalf of J.N. Gupta & Co.  
Chartered Accountants  
FRN 006569C

Gopal Gupta  
Partner  
Membership No. 408839  
Place: Jaipur  
Date: 24-08-2017



For and on behalf of the Board

(Anupama Sharma)  
Director

(A.K. Jain)  
Managing Director

(Amit Kumar Jain)  
Company Secretary

(Sudhash Agrawal)  
Addl.Gen.Manager(Fin.)

Statement of changes in equity for the year ended March 31, 2017		
a. Equity share capital	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Balance as at the beginning of the year	12,25,00,000	12,25,00,000
Changes in equity share capital during the year - Share capital issued	-	-
<b>Balance as at end of the year</b>	<b>12,25,00,000</b>	<b>12,25,00,000</b>

\*On 16th May, 2017 51% shares of the company held by Intrumentation Limited has been transferred to the President of India.

## March 2017

Statement of changes in equity for the year ended March 31, 2017				
b. Other equity	Reserves and surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Remeasurement of Net Defined Benefit Plan	
Balance as at March 31, 2016	88,23,45,363	3,32,13,602	2,85,233	91,58,44,198
a.) Profit for the year		12,14,85,161		12,14,85,161
b.) Other comprehensive income for the year, net of income tax			(19,77,839)	(19,77,839)
<b>Total comprehensive income for the year (a+b)</b>	-	<b>12,14,85,161</b>	<b>(19,77,839)</b>	<b>11,95,07,322</b>
Payment of dividends		(4,21,13,563)		(4,21,13,563)
Tax on Dividend		(85,73,437)		(85,73,437)
Transfer to General Reserve	9,00,00,000	(9,00,00,000)		-
<b>Balance as at March 31, 2017</b>	<b>97,23,45,363</b>	<b>1,40,11,763</b>	<b>(16,92,606)</b>	<b>98,46,64,520</b>

The Company has proposed a dividend of Rs. 4,90,00,000 ( DDT Rs. 99,75,249 ) to its Equity Shareholders for the year 2016-17 which is subject to the approval of Board of Directors and Members of the company.

## March 2016

Statement of changes in equity for the year ended March 31, 2016				
b. Other equity	Reserves and surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Remeasurement of Net Defined Benefit Plan	
Balance as at April 1, 2015	81,23,45,363	54,46,327		81,77,91,690
a.) Profit for the year		12,22,67,275		12,22,67,275
b.) Other comprehensive income for the year, net of income tax			2,85,233	2,85,233
<b>Total comprehensive income for the year (a+b)</b>	-	<b>12,22,67,275</b>	<b>2,85,233</b>	<b>12,25,52,508</b>
Payment of dividends		(2,03,55,997)		(2,03,55,997)
Tax on Dividend		(41,44,003)		(41,44,003)
Transfer to General Reserve	7,00,00,000	(7,00,00,000)		-
<b>Balance as at March 31, 2016</b>	<b>88,23,45,363</b>	<b>3,32,13,602</b>	<b>2,85,233</b>	<b>91,58,44,198</b>

See accompanying notes to the Financial Statements ( 1-37 )

As per our report of even date attached

For & on behalf of J.N. Gupta & Co.

Chartered Accountants

FRN 006569C

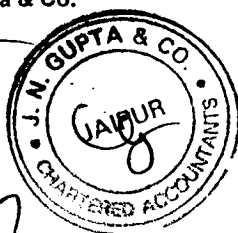
Gopal Gupta

Partner

Membership No. 408839

Place: Jaipur

Date: 24-08-2017



For and on behalf of the Board

( Anupama Sharma )

Director

( Amit Kumar Jain )

Company Secretary

( A.K. Jain )

Managing Director

( Subhash Agrawal )  
Addl. Gen. Manager (Fin.)

## **General Information & Significant Accounting Policies forming part of Financial Statements for the year ended March 31, 2017**

### **1. General information**

Rajasthan Electronics & Instruments Limited, Jaipur (REIL) is incorporated and domiciled in India having registered office at 2, Kanakpura Industrial Area, Sirsi Road, Jaipur. The Company is a joint venture between the Government of India and Government of Rajasthan through Instrumentation Ltd., Kota and Rajasthan State Industrial Development and Investment Corporation Ltd., Jaipur (RIICO) with share holding of 51% and 49% respectively.

The Company was incorporated on 12th June, 1981 and falls under the administrative control of Ministry of Heavy Industries and Public Enterprises, Government of India and is a Mini Ratna PSU. REIL is in the business of Electronic Milk Analysers and Solar Energy Equipment with minor interest in Wind Power, Information Technology and Industrial Electronics.

### **2. Significant accounting policies**

The principal accounting policies are set out below:

#### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind ASs") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The company has prepared the Comparative Ind AS financial statements to establish the financial position (balance sheet), income (including results of operations and Other Comprehensive Income) and cash flows of the company necessary to provide the comparative financial information to be included in this company's first complete set of Ind AS financial statements as at 31st march, 2017. The comparative Ind-AS financial statements do not themselves include comparative financial information for the prior period.

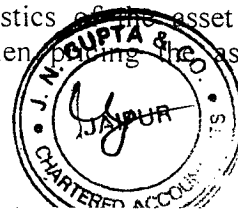
Refer Note No.3 for the details of first-time adoption exemptions availed by the Company.

#### **2.2 Basis of preparation and presentation**

The financial statements have been prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost basis, except certain financial instruments measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when measuring the asset or liability at the

*[Handwritten signatures]*



measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### **2.3 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The principal accounting estimates used have been described under the relevant income/expense and/or asset/liability item in these financial statements. The Management believes that the estimates used in the preparation of these Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

### **2.4 Property, plant and equipment**

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

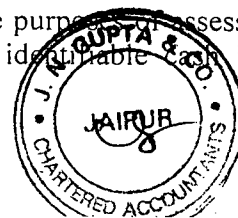
The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives as specified in the Schedule II of the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing upto ₹5000/- has been provided at the rate of 95% keeping 5% residual value of assets in books of accounts.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 purpose 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. Property, plant and equipment that suffered an impairment loss are reviewed for possible reversal of the impairment at the end of each reporting period.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

## **2.5 Intangible Assets**

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Upon first-time adoption of Ind AS, the Company has elected to measure its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

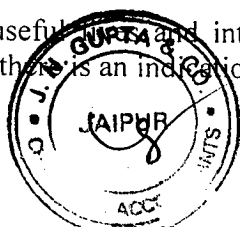
## **2.6 Impairment of tangible and intangible assets other than goodwill**

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 asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

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

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Recoverable amount is the higher of fair value less costs of disposal and value in use.

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

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a re-valued amount, in which case, the reversal is treated as a revaluation increase.

## **2.7 Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories comprises of all cost of conversion and other cost incurred in bringing them to their respective present location and condition and valued on the basis of FIFO method.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

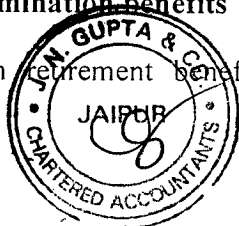
## **2.8 Revenue recognition**

- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.
- Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognized on accrual basis.
- Income from services rendered is recognized based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.
- Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net).
- Interest income is recognized using the effective interest rate (EIR) method.
- Dividend income on investments is recognized when the right to receive dividend is established.

## **2.9 Employee Benefits**

- **Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when





employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

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

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

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.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

#### • **Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

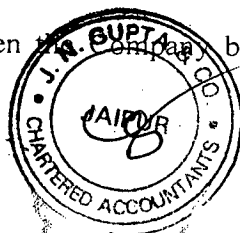
Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

### **2.10 Financial instruments**

#### **Financial Assets:**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.



On initial recognition, a financial asset is recognized at fair value, in case of Financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction cost are recognized in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

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

#### **Trade Receivables and Loans:**

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

#### **Debt Instruments:**

Debt instruments are initially measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

**(a) Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any.

The amortisation of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

**(b) Measured at fair value through other comprehensive income:**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(c) Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified s FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

#### **Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

#### **Impairment of Financial Asset**

- Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

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- For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition.
- The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.
- For trade receivables Company applies 'simplified approach' which requires expected life time losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables.
- At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.
- The impairment losses and reversals are recognised in Statement of Profit and Loss.

## Financial Liabilities:

### Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Derecognition:** A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 2.11 Fair value measurement

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

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is un-observable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## **2.12 Provisions and Contingent Liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits 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.

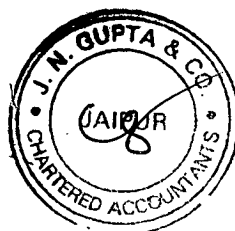
When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

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

## **2.13 Expenditure**

Expenses are accounted on accrual basis.



## **2.14 Borrowing costs**

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

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.

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

## **2.15 Income Tax**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

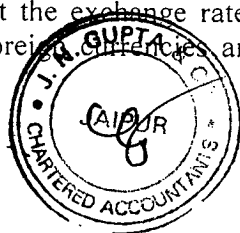
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income tax levied by the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

## **2.16 Foreign Currency Transaction**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.



Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

### **2.17 Government Grant**

The Government Grants (Grant in Aid) are accounted for in accordance with Ind-AS 20. The Company shall consider the conditions and obligations that have been met when identifying the costs for which the benefit of the loan is intended to compensate. Government grants so recognized shall be recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

### **2.18 Leases**

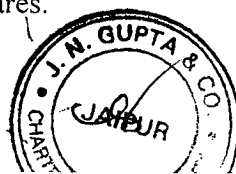
Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the 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.

### **2.19 Earnings per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



## **2.20 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 asset 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.

## **2.21 Dividends**

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

## **2.22 RECENT ACCOUNTING DEVELOPMENTS:**

Standards issued but not yet effective: In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102: The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company



## Note No.3

### FIRST TIME ADOPTION OF IND AS:

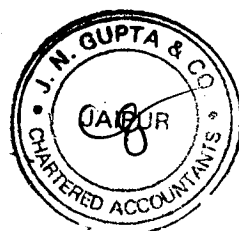
The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2017, together with the comparative information as at and for the year ended 31st March, 2016 and the opening Ind AS Balance Sheet as at 1st April, 2015, the date of transition to Ind AS.

In preparing these financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

#### Exemptions from retrospective application:

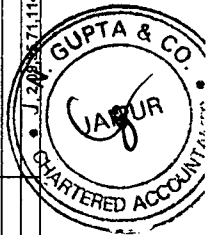
- (i) **Estimates:** On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates except as disclosed in the financial statements. The estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- (ii) **De-recognition of financial assets and financial liabilities:** The Company has applied the derecognition requirements for financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).
- (iii) **Classification and measurement of financial assets:** The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.
- (iv) **Impairment of financial assets:** The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.
- (v) **Deemed cost for property, plant and equipment, investment properties, and intangible assets:** For assets, the Company has elected to continue with the carrying value of all of its plant and equipment, investment properties, and intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- (vi) **Leases:** The Company has used the transition date facts and circumstances for lease arrangements which include both land and building elements to assess the classification of each element as finance or an operating lease at the transition date.





Note: 4 Ind AS 101 reconciliations  
Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and March 31, 2016

Notes	As at March 31, 2016				As at April 1, 2016			
	Previous GAAP	Prior Period Adjustment	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Prior Period Adjustment	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Non-current assets</b>								
(a) Property, plant and equipment	20,57,73,619	(10,17,630)	26,69,707	20,74,25,696	21,55,91,471	(8,90,427)	-	21,47,01,044
(b) Capital work-in-progress	1,18,11,481	-	-	1,18,11,481	14,89,305	-	-	14,89,305
(c) Intangible assets	-	-	-	-	-	-	-	-
(d) Technical Know How	10,70,768	-	-	10,70,768	18,94,384	-	-	18,94,384
(e) Financial assets	-	-	-	-	-	-	-	-
(f) Trade receivables	2,93,74,460	-	(1,54,15,776)	1,39,58,684	1,14,72,666	(77,31,698)	(77,31,698)	37,40,978
(g) Other financial assets	24,82,236	-	(3,10,900)	21,71,336	22,44,211	(3,70,342)	(3,70,342)	18,73,869
(h) Other non-current assets	-	-	2,10,567	2,10,567	-	-	44,76,071	44,76,071
<b>Total non-current assets</b>	<b>25,05,12,584</b>	<b>(10,17,630)</b>	<b>(1,28,46,402)</b>	<b>23,66,48,552</b>	<b>23,26,92,037</b>	<b>(8,90,427)</b>	<b>(36,25,959)</b>	<b>22,81,75,651</b>
<b>Current assets</b>								
(a) Inventories	18,65,81,879	-	-	18,65,81,879	17,40,71,457	-	-	17,40,71,457
(b) Financial assets	-	-	-	-	-	-	-	-
(c) Trade receivables	1,39,77,35,708	(53,74,446)	-	1,39,23,61,262	1,17,67,57,714	(19,68,853)	-	1,17,47,88,861
(d) Cash and cash equivalents	2,14,29,208	-	-	2,14,29,208	4,54,89,782	-	-	4,54,89,782
(e) Bank balances other than (f) above	19,77,50,453	-	-	19,77,50,453	13,72,12,785	-	-	13,72,12,785
(f) Other financial assets	-	-	-	-	-	-	-	-
(g) Current tax assets (Net)	3,25,47,770	-	-	3,25,47,770	3,87,22,032	-	-	3,87,22,032
(h) Other current assets	90,13,512	-	40,58,122	1,30,71,634	1,20,89,248	-	2,24,82,604	3,45,71,852
<b>Total current assets</b>	<b>1,84,50,59,530</b>	<b>(53,74,446)</b>	<b>40,58,122</b>	<b>1,84,37,42,206</b>	<b>1,68,43,43,018</b>	<b>(19,68,853)</b>	<b>2,24,82,604</b>	<b>1,60,48,56,769</b>
<b>Total Assets</b>	<b>2,09,55,71,114</b>	<b>(63,92,076)</b>	<b>(87,88,280)</b>	<b>2,08,03,90,758</b>	<b>1,81,70,35,055</b>	<b>(28,59,280)</b>	<b>1,88,56,645</b>	<b>1,83,30,32,420</b>
<b>Equity</b>								
(a) Equity share capital	12,25,00,000	-	-	12,25,00,000	12,25,00,000	-	-	12,25,00,000
(b) Other Equity	89,12,34,161	(68,10,076)	3,14,20,113	91,58,44,198	82,19,23,980	(32,39,280)	(8,92,910)	81,77,91,590
<b>Total equity</b>	<b>1,01,37,34,161</b>	<b>(68,10,076)</b>	<b>3,14,20,113</b>	<b>1,03,83,44,198</b>	<b>94,44,23,980</b>	<b>(32,39,280)</b>	<b>(9,92,910)</b>	<b>94,02,91,690</b>
<b>Non-current liabilities</b>								
(a) Financial liabilities	-	-	-	-	-	-	-	-
(b) Trade payables	8,71,73,331	-	(8,71,73,331)	-	8,06,43,481	-	(8,06,43,481)	-
(c) Provisions	26,95,685	-	-	26,95,685	10,67,100	-	-	10,67,100
(d) Deferred tax liabilities (Net)	5,07,46,167	-	(1,32,62,380)	3,74,83,787	5,51,08,761	-	(1,42,84,845)	4,08,23,916
(e) Other non-current liabilities	-	-	7,69,66,960	7,69,66,960	-	-	10,39,89,115	10,39,89,115
<b>Total non-current liabilities</b>	<b>14,06,15,183</b>	<b>-</b>	<b>(2,35,68,751)</b>	<b>11,70,46,432</b>	<b>13,68,19,342</b>	<b>-</b>	<b>90,60,789</b>	<b>14,68,80,131</b>
<b>Current liabilities</b>								
(a) Financial liabilities	-	-	-	-	-	-	-	-
(b) Trade payables	78,46,20,916	-	-	78,46,20,916	62,95,00,111	-	-	62,95,00,111
(c) Other financial liabilities	1,56,05,161	-	-	1,56,05,161	1,36,96,754	-	-	1,36,96,754
(d) Provisions	7,69,24,974	4,18,000	(5,06,87,000)	2,66,55,974	3,64,55,917	3,80,000	(2,45,00,000)	1,23,35,917
(e) Current tax liabilities (Net)	94,52,507	-	-	94,52,507	2,19,78,886	-	-	2,19,78,886
(f) Other current liabilities	5,06,18,212	4,18,000	(3,40,47,358)	8,66,55,570	3,41,60,165	-	3,51,88,766	6,93,48,931
<b>Total current liabilities</b>	<b>94,12,21,770</b>	<b>4,18,000</b>	<b>(1,66,39,642)</b>	<b>92,60,00,128</b>	<b>73,57,91,833</b>	<b>3,80,000</b>	<b>1,06,88,766</b>	<b>74,68,60,599</b>
<b>Total liabilities</b>	<b>1,08,18,36,953</b>	<b>4,18,000</b>	<b>(4,02,08,393)</b>	<b>1,04,20,46,560</b>	<b>87,26,11,175</b>	<b>3,80,000</b>	<b>1,97,49,555</b>	<b>89,27,40,730</b>
<b>Total equity and liabilities</b>	<b>1,84,50,59,530</b>	<b>(63,92,076)</b>	<b>(87,88,280)</b>	<b>2,08,03,90,758</b>	<b>1,81,70,35,055</b>	<b>(28,59,280)</b>	<b>1,88,56,645</b>	<b>1,83,30,32,420</b>

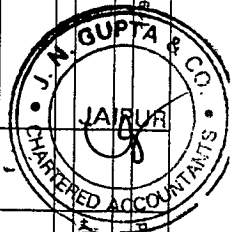


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Notes	As at March 31, 2016	As at April 1, 2015
	(End of last period presented under previous GAAP)	(End of comparable interim period presented under previous GAAP)
Total equity / shareholders' funds under previous GAAP	1,01,37,34,161	94,44,23,880
Adjustments:		
Prior Period Adjustment	(68,10,076)	(32,39,280)
Proposed Dividend	5,06,87,000	2,45,00,000
Fair Valuation of Financial Asset	(17,52,496)	(4,12,934)
Deferred Revenue	(12,20,08,224)	(14,66,39,311)
Deferred Expense	9,28,20,536	10,88,17,187
Net Defined Benefit Obligation	(15,69,083)	(14,42,697)
Deferred Tax	1,32,62,380	1,42,84,845
Total adjustment to equity	2,46,10,037	(41,32,190)
Total equity under Ind AS	1,03,83,44,198	94,02,91,690

Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

Notes	Year ended March 31, 2016		
	Previous GAAP	Prior Period Adjustment	Effect of transition to Ind AS
Revenue from Operations	2,12,00,95,527	-	2,30,55,834
Other income	2,98,24,982	-	6,31,695
Total Income	2,14,99,20,509	-	2,36,87,529
Expenses			
Cost of material consumed	1,35,88,02,685	-	1,35,88,02,685
Change in inventories of finished goods and Work-in-progress	(1,80,490)	-	(1,80,490)
Employee benefits expense	25,18,18,499	-	25,27,96,786
Excise Duty	1,57,67,666	-	1,57,67,666
Finance costs	1,55,56,997	-	1,55,56,997
Depreciation and amortisation expense	1,81,96,797	1,27,203	1,83,24,293
Other expenses	31,53,25,708	34,43,993	33,47,65,952
Total expenses	1,97,52,87,662	35,70,796	1,99,58,33,889
Profit before exceptional items and tax	17,46,32,647	(35,70,796)	17,77,74,149
Add: Exceptional items	17,46,32,647	(35,70,796)	17,77,74,149
Less: Tax expense	5,89,97,960	-	5,89,97,960
(1) Current tax	(43,62,594)	-	(43,62,594)
(2) Deferred tax	5,46,35,366	-	5,46,35,366
Profit for the period (I)	11,89,97,281	(35,70,796)	12,22,67,275
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans			
Total A (i)			
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income (II-A) (i)+(ii)		4,36,190	4,36,190
Total comprehensive income for the period (I)+(II)	11,89,97,281	(35,70,796)	12,25,52,508



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(All amounts in ₹, unless otherwise stated)

Particulars	Notes	
	Year ended March 31, 2016	Year ended March 31, 2017
Profit as per previous GAAP	11,89,97,281	
Adjustments:		
Prior Period Adjustment	(35,70,796)	
Fair Valuation of Financial Asset	(13,39,562)	
Deferred Revenue	2,46,31,087	
Deferred Expense	(1,59,96,651)	
Net Defined Benefit Obligation	(1,46,386)	
Deferred Tax	(10,22,465)	
Total adjustments	25,55,227	
Total comprehensive income under Ind AS	12,25,52,508	

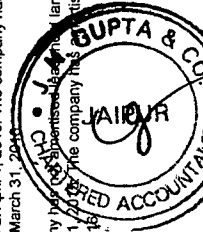
Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

There were no material differences between the Statement of Cash Flows due to Ind AS transition.

## Notes

- a. **Fair valuation for Financial Assets:**  
Financial Assets are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. Impact of fair value changes as on the date of transition, is recognised in opening reserves and subsequently the transaction cost are attributed to the acquisition value of the financial asset.
- b. **Government Grant:**  
Under previous GAAP according to "AS-12" Grants related to specific fixed assets can be shown as a deduction from the gross value of the asset concerned in arriving at its book value. However as per "Ind AS-20" Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income.
- c. **Change in accounting policy for Revenue Recognition to Stage of Completion Method:**  
The impact on account of change in accounting policy is recognised in the Opening Reserves on the date of transition and subsequent impact is recognized in the Statement of Profit and Loss. Major differences impacting such change of accounting policy are in the areas of Deferred Revenue and related expense
- d. **Defined Benefit Plans**  
i. Actuarial gain/(loss) - Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in Statement of Profit and Loss. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.  
ii. Net interest cost on defined benefit plans - Under Previous GAAP, the interest cost on defined benefit liability and expected return on plan assets was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, the Company has recognised the net interest cost on defined benefit plans as finance cost.  
iii. Under previous GAAP defined benefit obligation is measured as per "AS-15", however under Ind AS there is change in valuation techniques and defined benefit obligation is measured as per "Ind AS-19".
- e. **Proposed Dividend**  
Under Previous GAAP, proposed dividends and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.
- f. **Deferred Taxes**  
Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.
- g. **Prior Period Adjustment**  
The company has not recognised/provided for allowance for the following in previous GAAP:  
i. Allowance for doubtful debts: The company has not provided for allowance for doubtful debts in the financial statements as at March 31, 2016 and as at March 31, 2015 in previous GAAP. The same has been provided for in the comparative Ind AS financial statement as at March 31, 2016 and as at April 1, 2015. The company has recognised allowance for doubtful debts Rs. 19,68,853/- in other equity in comparative Ind AS financial statements as at April 1, 2015 and of Rs. 34,05,593/- in comparative Ind AS statement of profit & loss for the year ended March 31, 2016.  
ii. Provision for warranty: The company has not provided for provision for warranty in the financial statements as at March 31, 2016 and as at April 1, 2015. The company has provided for provision for warranty of Rs. 3,80,000/- in other equity in comparative Ind AS financial statements as at April 1, 2015 and of Rs. 38,000/- in comparative Ind AS financial statement as at March 31, 2016 and as at April 1, 2015.  
iii. Amortisation of Lease hold land: The company has not amortised leasehold land situated at Mansarovar, Jaipur near Neeraj Modi School, allotted by "Rajasthan Housing Board", Jaipur. The same has been amortised in the comparative Ind AS financial statement as at March 31, 2016 and as at April 1, 2015. The company has recognised leasehold land by Rs. 8,90,427/- in other equity in comparative Ind AS financial statements as at April 1, 2015 and by Rs. 1,27,204/- in comparative Ind AS statement of profit & loss for the year ended March 31, 2016.



Rajasthan Electronics & Instruments Limited  
 Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)  
 Note : 5 Tangible Assets  
 Current Year

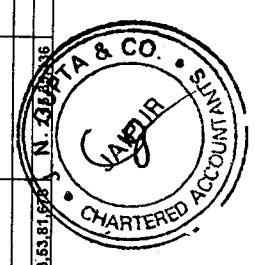
(All amounts in ₹, unless otherwise stated.)

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount		
	Balance as at April 1, 2016	Additions	Adjustments	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Eliminated on disposals of assets	Depreciation expense	Asset Written Off	As at March 31, 2017	As at March 31, 2016
Property plant and equipment											
Vehicles	14,98,618	16,82,432	-	-	31,81,050	3,95,377	-	2,46,604	-	25,39,069	11,03,241
Road, Drains & water supply and Building	3,70,43,985	-	-	(87,866)	3,70,43,985	1,51,82,310	-	8,82,035	-	2,09,79,640	2,18,61,675
Furniture and fixtures	1,52,06,028	63,076	-	-	1,51,81,238	92,76,446	(83,473)	11,65,718	-	48,22,547	59,29,562
Wind Power Project	5,80,00,000	-	-	-	5,80,00,000	2,59,47,040	-	22,42,535	-	2,98,10,425	3,20,52,960
Temporary Structure	26,13,392	-	-	-	26,13,392	26,13,392	-	-	-	-	-
Plant and machinery-imported	13,40,15,717	85,07,905	-	-	14,25,23,622	3,55,41,234	-	85,95,585	-	9,83,89,903	9,84,74,483
Plant and machinery-Indigenous	6,87,23,677	62,86,887	-	-	7,50,10,544	3,23,83,289	-	42,43,786	-	3,83,63,469	3,63,40,388
Leasehold Premises											
Land*	1,27,27,973	-	-	(87,866)	1,27,27,973	10,64,606	-	1,28,566	-	1,15,34,801	1,16,63,367
Subtotal	32,98,29,390	1,66,40,280	-	-	34,62,81,804	12,24,03,694	(83,473)	1,76,02,829	-	20,64,58,764	20,74,25,696
Capital work-in-progress	1,18,11,481	6,63,13,396	-	-	7,81,24,877	-	-	-	-	7,81,24,877	1,18,11,481
Total	34,16,40,871	8,28,53,676	-	(87,866)	42,44,06,681	12,24,03,694	(83,473)	1,75,02,829	-	28,45,83,631	21,92,37,177

\*The land includes a land situated at Mansarovar, Jaipur allotted by Rajasthan Housing Board, Jaipur for a sum of Rs. 114.19 Lakhs as per allotment Letter dated 26.10.2007 @ Rs. 3520/- Sq Mtrs + other charges which has been equitable mortgaged against a term loan of Rs. 116.80 Lakhs.

Previous Year

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount		
	Balance as at April 1, 2015	Additions	Asset Written off	Disposals	Balance at March 31, 2016	Balance as at April 1, 2015	Eliminated on disposals of assets	Depreciation expense	Asset Written Off	As at March 31, 2016	As at April 1, 2015
Property plant and equipment											
Vehicles	20,72,404	-	-	(5,73,786)	14,98,618	5,42,079	(3,26,685)	1,79,983	-	11,03,241	15,30,325
Road, Drains & water supply and Building	3,70,43,985	-	-	-	3,70,43,985	1,41,50,098	-	10,32,212	-	2,18,61,675	2,28,93,867
Furniture and fixtures	1,56,54,701	10,75,411	(15,24,084)	-	1,52,06,028	88,27,061	-	18,91,863	(14,42,479)	92,76,446	68,27,640
Wind Power Project	5,80,00,000	-	-	-	5,80,00,000	2,37,04,505	-	22,42,535	-	2,59,47,040	3,42,95,495
Temporary Structure	26,13,392	-	-	-	26,13,392	26,13,392	-	-	-	-	-
Plant and machinery (Imported)	13,44,26,536	28,09,146	(32,19,965)	-	13,40,15,717	3,02,12,400	-	83,87,801	(30,58,967)	9,84,74,483	10,42,14,136
Plant and machinery (Indigenous)	7,13,53,380	73,28,403	(99,58,106)	-	6,87,23,677	3,82,05,751	-	36,37,738	(94,60,200)	3,63,40,388	3,31,47,629
Leasehold Premises											
Land	1,27,27,973	-	-	(5,73,786)	1,27,27,973	9,36,041	-	1,28,565	-	1,16,63,367	1,17,91,932
Subtotal	33,38,92,371	1,12,12,960	(1,47,02,155)	-	32,98,29,390	11,91,91,327	(3,26,685)	1,75,00,697	(1,39,61,646)	20,74,25,696	21,47,01,044
Capital work-in-progress (Building)	14,89,305	1,03,22,176	-	-	1,18,11,481	-	-	-	-	1,18,11,481	14,89,305
Total	33,53,81,676	1,13,16,136	(1,47,02,155)	(5,73,786)	34,16,40,871	11,91,91,327	(3,26,685)	1,75,00,697	(1,39,61,646)	21,92,37,177	21,61,90,349



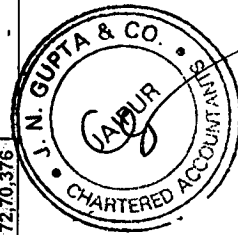
Rajasthan Electronics & Instruments Limited  
 Notes forming part of the Financial Statements for the year ended March 31, 2017 ( Contd.)  
 Note : 6 Intangible Assets  
 Current Year

(All amounts in ₹ , unless otherwise stated )

Particulars	Cost or deemed cost			Accumulated depreciation and impairment			Carrying Amount		
	Balance as at April 1, 2016	Additions from separate acquisitions	Additions from internal developments	Balance as at March 31, 2017	Disposals or classified as held for sale	Amortisation expense	Disposals or classified as held for sale	Balance as at March 31, 2017	As at March 31, 2016
Technical Know-How	72,70,376	-	-	72,70,376	-	8,23,596	-	70,23,184	10,70,788
Subtotal (a)	72,70,376	-	-	72,70,376	-	8,23,596	-	70,23,184	10,70,788
Rights under contract (b)	-	-	-	-	-	-	-	-	-
Intangible assets under development (c)	-	-	-	-	-	-	-	-	-
Total (a+b+c)	72,70,376	-	-	72,70,376	-	8,23,596	-	70,23,184	10,70,788

Previous Year

Particulars	Cost or deemed cost			Accumulated depreciation and impairment			Carrying Amount		
	Balance as at April 1, 2015	Additions from separate acquisitions	Additions from internal developments	Balance as at March 31, 2016	Disposals or classified as held for sale	Amortisation expense	Disposals or classified as held for sale	Balance as at March 31, 2016	As at April 1, 2015
Technical know-how	72,70,376	-	-	72,70,376	-	8,23,596	-	61,99,588	18,94,384
Subtotal (a)	72,70,376	-	-	72,70,376	-	8,23,596	-	61,99,588	18,94,384
Rights under contract (b)	-	-	-	-	-	-	-	-	-
Intangible assets under development (c)	-	-	-	-	-	-	-	-	-
Total (a+b+c)	72,70,376	-	-	72,70,376	-	8,23,596	-	61,99,588	18,94,384



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7. Trade receivables- Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Secured, considered good			
Associates			
others			
(b) Unsecured, considered good	2,79,90,773	1,39,58,684	37,40,978
(c) Doubtful			
Allowance for doubtful debts			
<b>Total</b>	<b>2,79,90,773</b>	<b>1,39,58,684</b>	<b>37,40,978</b>

8. Trade receivables- Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>From Related Party</b>			
(a) Unsecured, considered good	1,05,000	1,05,000	1,05,000
<b>From Others</b>			
(a) Unsecured, considered good			
-Outstanding for a period exceeding 6 months from the date they are due for payment.	71,85,35,949	67,17,12,927	61,73,10,140
-Outstanding for a period less than 6 months from the date they are due for payment.	90,93,99,873	72,05,43,335	55,73,73,721
(b) Doubtful	97,87,629	53,74,446	19,68,853
Allowance for doubtful debts	97,87,629	53,74,446	19,68,853
<b>Total</b>	<b>1,62,80,40,822</b>	<b>1,39,23,61,262</b>	<b>1,17,47,88,861</b>

9. Other financial assets

9A. Other financial assets - Non current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>From Related Party</b>			
-Security Deposit	40,470	40,470	-
<b>Others -</b>			
-Security Deposit	13,59,352	12,91,992	10,90,591
-Loans & Advances to employees	7,07,199	8,38,874	7,83,278
<b>Total</b>	<b>21,07,021</b>	<b>21,71,336</b>	<b>18,73,869</b>

9B. Other financial assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Others</b>			
- Security Deposits	1,77,500	1,77,500	1,77,500
- Loans to Staff	2,35,310	4,72,312	5,40,979
- Earnest Money	2,39,97,875	2,34,23,190	1,95,79,509
- Subsidy Receivable	26,70,000	26,70,000	-
- Service Tax Receivable	1,28,08,480	47,16,891	1,83,92,950
- Balance with central excise authorities	3,90,705	10,87,877	31,094
<b>Total</b>	<b>4,02,79,870</b>	<b>3,25,47,770</b>	<b>3,87,22,032</b>

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**Rajasthan Electronics & Instruments Limited**  
Notes forming part of the Financial Statements for the year ended March 31, 2017 ( Contd.)

(All amounts in ₹ , unless otherwise stated )

**10. Inventories**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>a) Inventories (lower of cost and net realisable value)</b>			
Raw materials	12,80,64,476	9,79,07,982	8,59,96,892
Work-in-progress	2,91,09,505	3,40,68,373	1,61,60,873
Finished goods*	5,83,57,413	5,31,34,483	7,03,65,425
Packing Material	3,00,444	6,03,094	6,80,768
Goods-in-transit	-	8,67,947	8,67,499
<b>Total (a)</b>	<b>21,58,31,838</b>	<b>18,65,81,879</b>	<b>17,40,71,457</b>

\*Closing Stock of finished goods includes excise duty of Rs. 6,67,325/- ( as at Mar 31,2017) , Rs 13,88,145/- ( as at Mar 31,2016) and Rs 8,92,077/- ( as at April 1,2015)

**11. Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks	5,38,15,149	2,10,79,958	4,39,77,240
Cash on hand	3,38,612	3,49,250	15,12,542
<b>Cash and cash equivalents</b>	<b>5,41,53,761</b>	<b>2,14,29,208</b>	<b>4,54,89,782</b>
In Bank Deposits(maturity due less than 12months)	8,01,56,624	41,13,870	4,08,14,472
Deposits pledged with bank as margin money	3,61,42,832	19,36,36,583	9,63,98,313
<b>Other bank balances</b>	<b>11,62,99,456</b>	<b>19,77,50,453</b>	<b>13,72,12,785</b>
<b>Total</b>	<b>17,04,53,217</b>	<b>21,91,79,661</b>	<b>18,27,02,567</b>

**12. Other assets**

**12A. Other assets - Non Current**

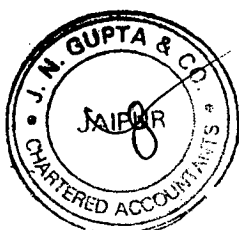
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others -			
-Prepaid expenses	1,61,231	2,10,567	44,76,071
<b>Total</b>	<b>1,61,231</b>	<b>2,10,567</b>	<b>44,76,071</b>

**12B. Other assets - Current**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>From Related Parties</b>			
Advances	2,91,764	7,94,890	-
<b>From Others</b>			
- Advance against expenses	8,21,070	4,87,553	3,91,024
- Prepaid expenses	1,97,41,899	64,10,702	2,46,87,145
- Other Loans and Advances	74,16,504	24,40,208	52,51,888
- Net asset on DBO(Gratuity Payable)	-	29,38,281	42,41,795
<b>Total</b>	<b>2,82,71,237</b>	<b>1,30,71,634</b>	<b>3,45,71,852</b>

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**Rajasthan Electronics & Instruments Limited**  
Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

(All amounts in ₹, unless otherwise stated)

**13. Equity Share Capital**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	12,25,00,000	12,25,00,000	12,25,00,000
<b>Total</b>	<b>12,25,00,000</b>	<b>12,25,00,000</b>	<b>12,25,00,000</b>
<b>Authorised Share capital :</b>			
15000000 equity shares of Rs. 10 each	15,00,00,000	15,00,00,000	15,00,00,000
<b>Issued and subscribed capital comprises:</b>			
1,22,50,000 fully paid equity shares of Rs. 10 each (as at March 31, 2016: 1,22,50,000; as at April 1, 2015: 1,22,50,000)	12,25,00,000	12,25,00,000	12,25,00,000
	12,25,00,000	12,25,00,000	12,25,00,000

**13.1 Movement during the period**

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016		For the Year ended April 1, 2015	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start of the period	1,22,50,000	12,25,00,000	1,22,50,000	12,25,00,000	1,22,50,000	12,25,00,000
Movements	-	-	-	-	-	-
Balance at the end of the period	1,22,50,000	12,25,00,000	1,22,50,000	12,25,00,000	1,22,50,000	12,25,00,000

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

**13.2 Details of shares held by the holding company**

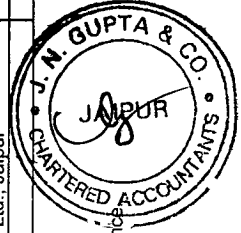
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
M/s Instrumentation Ltd., Kota	62,47,500	62,47,500	62,47,500
<b>Total</b>	<b>62,47,500</b>	<b>62,47,500</b>	<b>62,47,500</b>

**13.3 Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Equity shares:						
M/s Instrumentation Ltd., Kota	62,47,500	51%	62,47,500	51%	62,47,500	51%
M/s Rajasthan State Industrial Development and Investment Corporation Ltd., Jaipur	60,02,500	49%	60,02,500	49%	60,02,500	49%
<b>Total</b>	<b>1,22,50,000</b>	<b>100%</b>	<b>1,22,50,000</b>	<b>100%</b>	<b>1,22,50,000</b>	<b>100%</b>

**14. Other Equity**

Refer Statement of Changes in Equity for detailed movement in Equity balances



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## 15. Non-current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured – at amortised cost</b>			
(i) Term loans			
- from banks	10,47,579	-	-
<b>Total Non-current borrowings</b>	<b>10,47,579</b>	<b>-</b>	<b>-</b>

\*Secured Term Loan from Bank includes Rs.1,16,80,309 as at March 31, 2017 (as at March 31, 2016 Nil; as at April 1, 2015 Nil) of which Rs. 1,00,00,000 are included in current maturities of long-term debt in Note No. 16 (as at March 31, 2016 Nil; as at April 1, 2015 Nil) for construction of building. The loan is secured by EM of land msg. 2500 Sq Mtrs, situated at Mansarovar, Jaipur allotted by "Rajasthan Housing Board, Jaipur for a sum of Rs. 114.19 Lakhs as per allotment Letter dated 26.10.2007@ Rs. 3520/- Sq Mtrs + other charges. Total cost of the project excluding cost of land is Rs. 14.57 Crores.

The interest rate of above Term Loan is 5 year MCLR(9.55%) + Spread (0.45%) i.e. 10.00% p.a., however the effective interest on the above loan is 10.30%.

The above loan is also collaterally secured by first charge on all block assets of the company, present & future except primary security of Term Loan.

## Footnote

## 1. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

Particulars	As at March 31, 2017	Repayment Schedule	
		2017-18 (₹)	2018-19 (₹)
Term Loan (PNB)	1,16,80,309	1,00,00,000	16,80,309
<b>Total</b>	<b>1,16,80,309</b>	<b>1,00,00,000</b>	<b>16,80,309</b>

## 16. Other financial liabilities - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Audit Fee Payable	78,750	78,375	75,843
(b) Earnest Money	1,28,31,000	35,94,000	38,47,500
(c) Retention money payable	20,95,950	20,49,050	20,49,050
(d) Statutory dues	98,03,674	73,17,853	41,47,424
(e) Security Deposit	20,39,572	17,73,068	21,87,500
(f) Interest Accrued on term loan	6,400	-	-
(g) Current Maturities of long-term debt	1,00,00,000	-	-
(h) Others	97,567	7,92,815	13,89,437
<b>Total</b>	<b>3,69,52,913</b>	<b>1,56,05,161</b>	<b>1,36,96,754</b>

## 17. Provisions

## 17A. Provisions - Non current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee benefits	28,21,332	26,95,685	10,67,100
<b>Total</b>	<b>28,21,332</b>	<b>26,95,685</b>	<b>10,67,100</b>

## 17B. Provisions - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee benefits	1,67,91,378	2,62,37,974	1,19,55,917
Provision for Warranty	4,59,800	4,18,000	3,80,000
<b>Total</b>	<b>1,72,51,178</b>	<b>2,66,55,974</b>	<b>1,23,35,917</b>

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## 18. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	7,11,77,773	5,13,47,287	5,42,25,372
Deferred tax liabilities	(9,84,00,564)	(8,88,31,074)	(9,50,49,288)
<b>Net</b>	<b>(2,72,22,791)</b>	<b>(3,74,83,787)</b>	<b>(4,08,23,916)</b>

## Year ended March 31, 2017

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	(5,67,07,743)	15,02,998	-	(5,52,04,745)
Fair Value of financial assets	6,06,505	28,69,291	-	34,75,796
Allowance for Doubtful Debts	18,59,989	15,27,314	-	33,87,303
Deferred revenue	4,22,24,606	1,35,85,024	-	5,58,09,630
Deferred expense	(3,21,23,331)	(1,10,72,488)	-	(4,31,95,819)
Provisions for Employee Benefit	65,11,526	7,87,641	10,46,749	83,45,916
Provision for Warranty	1,44,661	14,467	-	1,59,128
<b>Total (A)</b>	<b>(3,74,83,787)</b>	<b>92,14,247</b>	<b>10,46,749</b>	<b>(2,72,22,791)</b>

## Year ended March 31, 2016

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	(5,80,62,326)	13,54,583	-	(5,67,07,743)
Fair Value of financial assets	1,40,357	4,66,148	-	6,06,505
Allowance for Doubtful Debts	6,69,213	11,90,776	-	18,59,989
Deferred revenue	4,98,42,702	(76,18,096)	-	4,22,24,606
Deferred expense	(3,69,86,962)	48,63,631	-	(3,21,23,331)
Provisions for Employee Benefit	34,43,938	32,18,545	(1,50,957)	65,11,526
Provision for Warranty	1,29,162	15,499	-	1,44,661
<b>Total (A)</b>	<b>(4,08,23,916)</b>	<b>34,91,086</b>	<b>(1,50,957)</b>	<b>(3,74,83,787)</b>

## 19. Other liabilities

## 19A. Other non-current liabilities

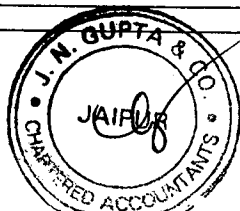
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Others			
- Government Grant	24,56,107	25,62,907	-
- Deferred revenue	4,10,07,554	7,43,04,053	10,39,89,115
<b>Total</b>	<b>4,34,63,661</b>	<b>7,68,66,960</b>	<b>10,39,89,115</b>

## 19B. Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance from customers	18,15,92,812	3,75,10,398	1,90,48,137
Grant-in-aid	1,06,800	51,06,800	-
Others			
-Pre-Receipt Training & Education	22,000	13,500	28,500
-Deferred revenue	9,37,50,959	4,60,34,872	5,02,72,294
<b>Total</b>	<b>27,54,72,571</b>	<b>8,86,65,570</b>	<b>6,93,48,931</b>

## 20. Trade payables - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>From Related Parties</b>	<b>5,36,352</b>	<b>5,36,352</b>	<b>4,24,482</b>
<b>From Others</b>			
-Total Outstanding dues of micro and small enterprises	36,17,56,493	20,91,45,527	23,72,34,490
-Total Outstanding dues of creditors other than micro and small enterprises	51,88,79,984	57,49,39,037	39,18,41,139
<b>Total</b>	<b>88,11,72,829</b>	<b>78,46,20,916</b>	<b>62,95,00,111</b>



## 21. Current tax assets and liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current tax assets</b>			
Advance Payment of taxes	37,41,87,779	38,77,05,553	31,61,81,214
	37,41,87,779	38,77,05,553	31,61,81,214
<b>Current tax liabilities</b>			
Income tax payable	37,95,85,237	39,71,58,060	33,81,60,100
	37,95,85,237	39,71,58,060	33,81,60,100
<b>Current Tax Liabilities</b>	<b>53,97,458</b>	<b>94,52,507</b>	<b>2,19,78,886</b>

## 22. Contingent liabilities, Contingent assets and Commitments

## 22.1 Contingent liabilities

(Rs. In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Guarantees given by bankers on behalf of the company.	6,780.98	4,465.37	3,754.52
(b) Claims against the company not acknowledged as debts.	15.93	8.38	-
(c) Disputed tax liabilities in respect of pending cases before Appellate Authorities:	40.37	63.35	62.33

(Rs. In Lakhs)

Description	Period(F.Y.)to which it relates	2016-17	2015-16	2014-15
(i) Service Tax Show cause notices/ Demand raised by Excise & Service Tax Department	(2009-2010)	3.82	3.82	3.82
(ii) Income Tax Disallowances/additions made by the Income Tax Department pending Before various appellate authorities.	(2007- 2008) (2008-2009) (2011-2012) (2012-2013)	0.24 35.30 - 1.02	0.24 35.30 22.97 1.02	0.24 35.30 22.97 -



## 22.2 Contingent assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Insurance Claims lodged but not approved/settled	9,21,200	8,79,351	3,00,571

## 22.3 Commitments

(Rs. In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Commitments</b>			
Estimated amount of contracts remaining to be executed and not provided for including service and maintenance contracts.	13,553.82	21,066.53	7,304.83



**Rajasthan Electronics & Instruments Limited**

Notes forming part of the Financial Statements for the year ended March 31, 2017 ( Contd.)

(All amounts in ₹ , unless otherwise stated )

**23. Revenue from operations**

The following is details of the Company's revenue for the period from continuing operations

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Sales		
Exports	21,62,272	23,46,957
Domestic	1,98,00,02,326	1,82,04,84,280
(b) Other operating revenues		
Service Maintenance and installation charges	32,14,95,186	32,03,20,124
<b>Total</b>	<b>2,30,36,59,784</b>	<b>2,14,31,51,361</b>

**Details of Sale**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Solar Energy	1,24,48,20,875	88,31,08,880
Electronic Milk Analysers	73,30,36,752	93,52,77,066
Wind Power	43,06,971	44,45,291
<b>Total</b>	<b>1,98,21,64,598</b>	<b>1,82,28,31,237</b>

**24. Other Income**

a) Interest Income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Bank Deposits	64,35,764	1,71,97,016
Others	68,22,583	65,46,889
Interest Income on Defined Benefit Obligation ( Asset )	2,30,949	3,35,950
<b>Total (a)</b>	<b>1,34,89,296</b>	<b>2,40,79,855</b>

b) Other Non-Operating Income (Net of expenses directly attributable to such income)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Claims & recoveries	23,05,211	54,82,020
Amortisation of Government Grant	51,06,800	293
Profit on sales of fixed assets	5,232	-
Exchange Fluctuation (net)	24,99,254	-
Others (aggregate of immaterial items)	32,84,165	8,94,509
<b>Total (b)</b>	<b>1,32,00,662</b>	<b>63,76,822</b>
<b>Total (a+b)</b>	<b>2,66,89,958</b>	<b>3,04,56,677</b>

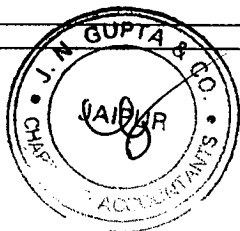
**25. Cost of material consumed**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cost of material Consumed</b>		
Opening stock	9,85,11,076	8,66,77,660
Add: Purchase of raw material	1,46,36,04,238	1,37,06,36,101
	<b>1,56,21,15,314</b>	<b>1,45,73,13,761</b>
Less: Closing stock	12,83,64,920	9,85,11,076
<b>Total</b>	<b>1,43,37,50,394</b>	<b>1,35,88,02,685</b>

**Details of material consumed**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>(a) Details of Raw Materials consumed</b>		
Solar Energy Equipments		
-Solar Cells	18,65,90,526	15,71,33,918
-Others	73,44,12,695	47,72,89,159
Electronic Milk Analysers	49,84,61,002	71,03,41,211
Consumables & packing materials	1,42,86,171	1,40,38,397
<b>Total</b>	<b>1,43,37,50,394</b>	<b>1,35,88,02,685</b>
<b>(b) Value of Imported and indigenous material consumed</b>		
Imported	32,86,26,667	34,59,40,907
Indigenous	1,10,51,23,727	1,01,28,61,778
<b>Total</b>	<b>1,43,37,50,394</b>	<b>1,35,88,02,685</b>

*(Handwritten signatures)*

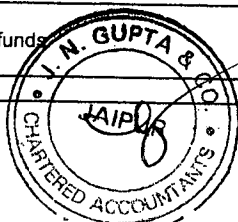


## 26. Change in inventories of finished goods and Work-in-progress

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Increase(-) / Decrease(+) in Stock		
Opening stock		
Work-in-progress	3,40,68,373	1,61,60,873
Finished goods	5,31,34,483	7,03,65,425
	8,72,02,856	8,65,26,298
Less: Closing stock		
Work-in-progress	2,91,09,505	3,40,68,373
Finished goods	5,83,57,413	5,31,34,483
	8,74,66,918	8,72,02,856
	(2,64,062)	(6,76,558)
Excise duty increase/decrease in finished goods	(7,20,820)	4,96,068
Total	(9,84,882)	(1,80,490)
<b>Details of inventory at the beginning of the year</b>		
<b>Work-in-progress</b>		
Electronic Milk Analysers	2,54,87,139	1,23,42,656
Solar Photovoltaic Modules/Systems	85,81,234	38,18,217
	3,40,68,373	1,61,60,873
<b>Finished Goods</b>		
Electronic Milk Analysers	82,70,410	61,81,971
Solar Photovoltaic Modules/Systems	4,48,64,073	6,41,83,454
	5,31,34,483	7,03,65,425
<b>Details of inventory at the end of the year</b>		
<b>Work-in-progress</b>		
Electronic Milk Analysers	2,60,82,652	2,54,87,139
Solar Photovoltaic Modules/Systems	30,26,853	85,81,234
	2,91,09,505	3,40,68,373
<b>Finished Goods</b>		
Electronic Milk Analysers	45,52,335	82,70,410
Solar Photovoltaic Modules/Systems	5,38,05,078	4,48,64,073
	5,83,57,413	5,31,34,483
<b>Change in inventories of finished goods and Work-in-progress</b>		
<b>Work-in-progress</b>		
Electronic Milk Analysers	(5,95,513)	(1,31,44,483)
Solar Photovoltaic Modules/Systems	55,54,381	(47,63,017)
	49,58,868	(1,79,07,500)
<b>Finished Goods</b>		
Electronic Milk Analysers	37,18,075	(20,88,439)
Solar Photovoltaic Modules/Systems	(89,41,005)	1,93,19,381
	(52,22,930)	1,72,30,942
<b>Net Changes</b>	<b>(2,64,062)</b>	<b>(6,76,558)</b>

## 27. Employee benefits expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	22,34,38,953	21,90,48,791
Contribution to provident and other funds	1,92,53,562	1,91,49,231
Staff Welfare Expenses	1,37,01,819	1,45,98,764
<b>Total</b>	<b>25,63,94,334</b>	<b>25,27,96,786</b>



## 28. Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Continuing operations</b>		
Interest costs :-		
Fixed Loan	-	-
Others	52,27,019	2,59,107
Bank Charges	34,33,073	16,33,888
Bank Guarantee Commission	96,34,899	1,36,64,002
<b>Total</b>	<b>1,82,94,991</b>	<b>1,55,56,997</b>

## 29. Depreciation and amortisation expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	1,75,02,829	1,75,00,697
Amortisation of intangible assets	8,23,596	8,23,596
<b>Total depreciation and amortisation pertaining to continuing operations</b>	<b>1,83,26,425</b>	<b>1,83,24,293</b>

## 30. Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Power & fuel	54,91,458	53,14,935
<b>Repair &amp; maintenance</b>		
- Plant & machinery	6,96,631	5,36,828
- Building	4,65,739	40,01,644
- Others	8,01,104	8,15,302
Testing & other expenses	12,13,146	12,40,659
Component & prototype for R&D	5,68,739	12,38,474
Rent	27,40,584	26,18,408
Rates & taxes	8,78,357	15,69,297
Printing & stationery	23,16,583	17,03,371
Travelling & conveyance	1,76,32,641	1,82,57,943
Postage & communication expenses	30,26,880	28,53,254
Board meeting expenses	49,662	46,567
Director's sitting fee	1,09,250	58,601
Vehicle running expenses	2,24,152	2,22,591
Legal & professional fee	21,42,723	11,16,872
Security, cleaning & other expenses	86,69,778	80,08,093
Payment to Auditors *	2,05,075	2,09,723
Insurance charges	10,00,432	14,10,793
Training & education	8,25,678	1,65,302
Recruitment expenses	1,54,768	6,56,631
CSR expenses	58,95,044	15,87,324
Fixed assets written-off	-	7,40,510
Loss on sale of assets	-	1,57,101
Foreign exchange fluctuation (net)	-	4,10,225
Allowance for Bad and Doubtful Debts	44,13,183	34,05,593
Bad debts	-	1,58,14,312
Advertising & business promotion	63,36,309	71,97,826
Forwarding expenses	1,74,62,113	2,05,73,070
Warranty Obligation	10,54,723	4,13,267
Discount & commission	82,06,028	61,97,744
Service, maintenance & installation charges	31,51,62,712	22,29,12,732
Miscellaneous expenses	43,77,724	33,10,960
<b>Total</b>	<b>41,21,21,216</b>	<b>33,47,65,952</b>

* Payments to auditors	Year ended March 31, 2017	Year ended March 31, 2016
(a) Statutory audit fee	75,000	75,000
(b) Tax audit fee	45,000	45,000
(c) Certification work	33,000	37,500
(d) Out of pocket expenses	25,000	25,000
(e) Service Tax	27,075	27,223
<b>Total</b>	<b>2,05,075</b>	<b>2,09,723</b>



## 31. Income taxes relating to continuing operations

## 31.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Current tax</b>		
In respect of the current period	6,39,83,930	5,89,97,960
Adjustment of tax relating to earlier year	(25,13,880)	-
	6,14,70,050	5,89,97,960
<b>Deferred tax</b>		
In respect of the current period	(1,08,31,945)	(42,13,735)
Adjustment of tax relating to earlier year	16,17,698	(19,604)
Adjustments to deferred tax attributable to changes in tax rates	-	7,42,253
	(92,14,247)	(34,91,086)
<b>Total income tax expense recognised in the current period relating to continuing Operations</b>	<b>5,22,55,803</b>	<b>5,55,06,874</b>

The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax from continuing operations	17,37,40,964	17,77,74,149
Tax Rate	34.608%	34.608%
Accounting Profit multiplied by Tax Rate	6,01,28,273	6,15,24,077
Additional deduction for Research Expenditure	(92,02,734)	(78,00,409)
<b>Effect of expenses that are not deductible in determining taxable profit</b>		
- CSR Expenditure	20,40,157	5,49,341
- Interest on Income Tax	1,41,795	4,66,722
- Amortisation of Leasehold Land	44,494	44,494
Effect on deferred tax balances due to the change in income tax rate from 33.990% to 34.608% (effective AY 2016-17)	-	7,42,253
	<b>5,31,51,985</b>	<b>5,55,26,478</b>
Adjustments recognised in the current year in relation to the Deferred tax of prior years	16,17,698	(19,604)
Adjustments recognised in the current year in relation to the current tax of prior years	(25,13,880)	-
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>5,22,55,803</b>	<b>5,55,06,874</b>

## 31.2 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Current tax</b>		
<b>Deferred tax</b>		
Re-measurement of defined benefit obligation	10,46,749	(1,50,957)
<b>Total</b>	<b>10,46,749</b>	<b>(1,50,957)</b>

Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	10,46,749	(1,50,957)
Items that may be reclassified to profit or loss	-	-



**32. Earnings per share**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	Rs. per share	Rs. per share
<b>From Continuing operations</b>		
Profit after tax	11,95,07,322	12,25,52,508
	1,22,50,000	1,22,50,000
Weighted average number of equity shares for calculation of basic EPS		
Basic earnings per share (one equity share of Rs. 10/- each)	9.76	10.00
Weighted average number of equity shares for calculation of diluted EPS	1,22,50,000	1,22,50,000
Diluted earnings per share (one equity share of Rs. 10/- each)	9.76	10.00
<b>From Continuing operations</b>	<b>Rs. per share</b>	<b>Rs. per share</b>
Basic earnings per share	9.76	10.00
Diluted earnings per share	9.76	10.00

**32.1 Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the period attributable to owners of the Company (A)	11,95,07,322	12,25,52,508
Weighted average number of equity shares for the purposes of basic earnings per share (B)	1,22,50,000	1,22,50,000
<b>Basic Earnings per share (A/B)</b>	<b>9.75,56,998</b>	<b>10,00,42,864</b>

**32.2 Diluted earnings per share**

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings used in the calculation of basic earnings per share	11,95,07,322	12,25,52,508
Adjustments (describe)		
Earnings used in the calculation of diluted earnings per share (A)	11,95,07,322	12,25,52,508
Weighted average number of equity shares used in the calculation of basic earnings per share	1,22,50,000	1,22,50,000
Adjustments		
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	1,22,50,000	1,22,50,000
<b>Diluted earnings per share (A/B)</b>	<b>9,75,56,998</b>	<b>10,00,42,864</b>

**33. Employee benefit plans**

**33.1 Defined contribution plans**

The Company contributes to defined contribution retirement benefit plans for all qualifying employees of its Company maintained at Instrumentation Limited Employee Provident Fund Trust ( ILEPFT ).

The total expense recognised in profit or loss of Rs.1,71,24,131/- (for the year ended March 31, 2016: Rs.1,63,05,999/-) represents contributions paid to the fund maintained at Instrumentation Limited Employee Provident Fund Trust ( ILEPFT ).

**33.2 Defined benefit plans**

The employee gratuity fund scheme is managed by a policy , administered by Life Insurance Corporation of India through approved gratuity trust fund. The present value of obligation is determined based on Actuarial Valuation using the Projected Unit Credit Method to assess the plan's liabilities including those related to retirement , resignation and death-in-service benefits.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Since investment is with insurance company ( LIC ) , assets are considered to be secured
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
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 principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate(s)	7.26%	7.86%	7.92%
Rate(s) of salary increase	9.00%	9.00%	9.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.26%	7.86%	7.92%
Mortality rates*(During Employment)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	-10,65,52,128	-10,16,37,102
Fair value of plan assets	10,52,42,679	10,45,75,383
Funded status	-13,09,449	29,38,281
Restrictions on asset recognised		
<b>Net liability arising from defined benefit obligation</b>	<b>-13,09,449</b>	<b>29,38,281</b>

Net Interest Cost for Current Period are as follows.

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of Benefit Obligation at the Period	10,16,37,102	9,68,25,614
Fair value of plan assets at the Beginning of the Period	-10,45,75,383	-10,10,67,409
<b>Net Liability/(Assets) at the Beginning</b>	<b>-29,38,281</b>	<b>-42,41,795</b>
Interest Cost	79,88,676	76,68,589
(Interest Income)	-82,19,625	-80,04,539
<b>Net Interest Cost for Current Period</b>	<b>-2,30,949</b>	<b>-3,35,950</b>

Expenses Recognized in the Statement of Profit or Loss for Current Period are as follows.

Particulars	As at March 31, 2017	As at March 31, 2016
Current Service Cost	18,15,065	25,03,620
Net Interest Cost	-2,30,949	-3,35,950
Past Service Cost		
<b>Expenses Recognized</b>	<b>15,84,116</b>	<b>21,67,670</b>

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period are as follows.

Particulars	As at March 31, 2017	As at March 31, 2016
Actuarial (Gains)/Losses on Obligation For the Period	31,13,084	-1,41,562
Return on Plan Assets, Excluding Interest Income	-65,577	-2,94,628
Change in Asset Ceiling		
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>30,47,507</b>	<b>-4,36,190</b>

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening defined benefit obligation	10,16,37,102	9,68,25,614
Current service cost	18,15,065	25,03,620
Interest cost	79,88,676	76,68,589
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in financial assumptions	42,10,048	4,18,313
Actuarial gains and losses arising from experience adjustments	-10,96,964	-5,59,875
Benefits paid from the Fund	-80,01,799	-52,19,159
<b>Closing defined benefit obligation</b>	<b>10,65,52,128</b>	<b>10,16,37,102</b>

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	10,45,75,383	10,10,67,409
Interest income	82,19,625	80,04,539
Return on plan assets (excluding amounts included in net interest expense)	65,577	2,94,628
Contributions from the employer	3,83,893	4,27,966
Benefits paid from the Fund	-80,01,799	-52,19,159
<b>Closing fair value of plan assets</b>	<b>10,52,42,679</b>	<b>10,45,75,383</b>

Balance Sheet Reconciliation

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Net Liability	-29,38,281	-42,41,795
Expenses Recognized in Statement of Profit or Loss	15,84,116	21,67,670
Expenses Recognized in OCI	30,47,507	-4,36,190
(Benefit Paid Directly by the Employer)	-3,83,893	-4,27,966
<b>Net Liability/(Asset) Recognized In the Balance Sheet</b>	<b>13,09,449</b>	<b>-29,38,281</b>

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Rajasthan Electronics & Instruments Limited  
Notes forming part of the Financial Statements for the year ended March 31, 2017 (Contd.)

(All amounts in ₹, unless otherwise stated)

**Category of Assets**

Particulars	As at March 31, 2017	As at March 31, 2016
Insurance Fund	10,52,42,679	10,45,75,383
Other		
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>10,52,42,679</b>	<b>10,45,75,383</b>

**Other Details**

Particulars	As at March 31, 2017	As at March 31, 2016
No of Active Members	269	275
Per Month Salary For Active Members	1,18,72,511	1,16,87,697
Weighted Average Duration of the Projected Benefit Obligation	8	13
Average Expected Future Service	12	9
Projected Benefit Obligation (PBO)	10,65,52,128	10,16,37,102
Prescribed Contribution for Next Year (12 Months)	35,64,776	

**Net Interest Cost for Next Year are as follows.**

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of Benefit Obligation at the End of the Period	10,65,52,128	10,16,37,102
Fair value of plan assets at the End of the Period	-10,52,42,679	-10,45,75,383
<b>Net Liability/(Assets) at the End of the Period</b>	<b>13,09,449</b>	<b>-29,38,281</b>
Interest Cost	77,35,684	79,88,676
(Interest Income)	-76,40,618	-82,19,625
<b>Net Interest Cost for Next Period</b>	<b>95,066</b>	<b>-2,30,949</b>

**Expenses Recognized in the Statement of Profit or Loss for Next Period are as follows.**

Particulars	As at March 31, 2017	As at March 31, 2016
Current Service Cost	22,55,327	18,15,065
Net Interest Cost	95,066	-2,30,949
<b>Expenses Recognized</b>	<b>23,50,393</b>	<b>15,84,116</b>

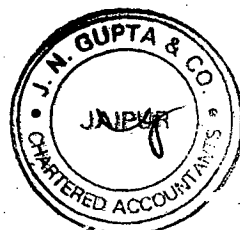
**Maturity Analysis of Projected Benefit Obligation: From the Fund.**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>		
1st Following Year	65,50,188	83,36,478
2nd Following Year	72,52,509	52,13,920
3rd Following Year	1,22,58,434	82,96,478
4th Following Year	1,44,59,258	1,19,07,977
5th Following Year	81,62,917	1,49,03,854
<b>Sum of Years 6 To 10</b>	<b>5,66,34,314</b>	<b>5,53,13,740</b>

**Sensitivity Analysis**

Particulars	As at March 31, 2017	As at March 31, 2016
Projected Benefits Obligation on Current Assumptions	10,65,52,128	10,16,37,102
Delta Effect of +1% Change in Rate of Discounting	-68,47,858	-65,81,786
Delta Effect of -1% Change in Rate of Discounting	77,76,280	74,65,411
Delta Effect of +1% Change in Rate of Salary Increase	17,16,400	16,62,991
Delta Effect of -1% Change in Rate of Salary Increase	-19,82,111	-19,07,302
Delta Effect of +1% Change in Rate of Employee Turnover	15,20,235	17,48,756
Delta Effect of -1% Change in Rate of Employee Turnover	-16,81,589	-19,31,355

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34. Financial instruments

34.1 Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

34.2 Categories of financial instruments and Fair Values

A.) The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
<b>Financial assets at amortised cost:</b>	<b>1,86,88,71,703</b>	<b>1,86,90,01,927</b>	<b>1,66,02,18,713</b>	<b>1,66,02,64,394</b>	<b>1,40,18,28,307</b>	<b>1,40,18,75,344</b>
<b>Non Current</b>						
Trade receivables*	2,79,90,773	2,80,79,354	1,39,58,684	1,39,59,264	37,40,978	37,40,978
Other Financial Assets	21,07,021	21,48,664	21,71,336	22,16,437	18,73,869	19,20,906
<b>Current</b>						
Trade receivables	1,62,80,40,822	1,62,80,40,822	1,39,23,61,262	1,39,23,61,262	1,17,47,88,861	1,17,47,88,861
Cash and cash equivalents	17,04,53,217	17,04,53,217	21,91,79,661	21,91,79,661	18,27,02,567	18,27,02,567
Other financial assets	4,02,79,870	4,02,79,870	3,25,47,770	3,25,47,770	3,87,22,032	3,87,22,032
<b>Financial liabilities</b>						
<b>Financial liabilities held at amortised cost:</b>	<b>91,91,73,321</b>	<b>91,91,73,321</b>	<b>80,02,26,077</b>	<b>80,02,26,077</b>	<b>64,31,96,865</b>	<b>64,31,96,865</b>
<b>Non Current</b>						
Borrowings	10,47,579	10,47,579	-	-	-	-
<b>Current</b>						
Trade Payables	88,11,72,829	88,11,72,829	78,46,20,916	78,46,20,916	62,95,00,111	62,95,00,111
Borrowings	-	-	-	-	-	-
Other's financial liabilities	3,69,52,913	3,69,52,913	1,56,05,161	1,56,05,161	1,36,96,754	1,36,96,754

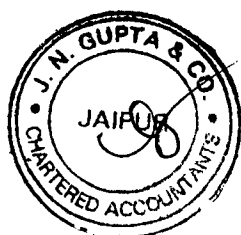
\*Non current trade receivables include a amount of Rs. 1,19,79,079/- as at March 31 , 2016 ( Rs. 21,09,350/- as at April 1 , 2015) which has not been fair valued as the same is receivable on presentation of bank guarantee of the same amount and management has presented the bank guarantee for the same, hence its carrying amounts is a reasonable approximation of its fair value.

The Company has disclosed financial instruments such as cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B.) FAIR VALUE HIERARCHY

Except for cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities disclosed at carrying value, all other financial assets /liabilities are fair valued using level 3 hierarchy

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis



### 34.3 Financial risk management objectives

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. Risk Management framework is constantly updated for new and emerging risks emanating from business expansion and interests. Risk Management framework of the company encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objective. Risk management practices of the company seek to sustain and enhance the long-term competitive advantage of the company. Core values and ethics of the company provide the platform for its risk management practices. This system provides a holistic view of the business, wherein risks are identified in a structured manner.

Risk Management aims to ensure timely and prudent decisions to:

- Maximise positive impacts of opportunities.
- Minimise negative impacts of risks.
- Convert risks into opportunities.

#### A.) Market risk management

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note A.)(i) below) and interest rates (see note A.)(ii) below).

There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

##### A.)(i) Foreign currency risk management

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

As at 31st March, 2017, the foreign currency exposure to the Company on holding financial liabilities (trade payables) amounted to Rs. 291.07 Lakhs (March 31, 2016: Rs. 510.72 Lakhs and April 1, 2015: Rs. 266.23 Lakhs) .

##### A.)(i)(a) Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional Rs. 105.30 Lakhs gain in the Statement of Profit and Loss (2015-16: Rs. 101.93 Lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

##### A.)(ii) Interest rate risk management

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding term loan of Rs 116.80 Lakhs , however the company continued to be debt free as at March 31,2016 and April 1, 2015. Outstanding debt in local currency is on fixed rate basis for five years and hence not subject to interest rate risk.

#### B.) Credit risk management

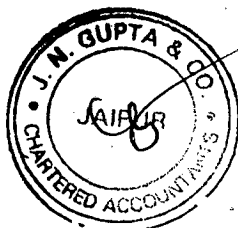
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The company mostly transacts with government entities reducing the risk of default on contractual obligations. The company's exposure is continuously monitored.

The credit limits are fixed in respect of individual customers that are approved by Head of Marketing Department . These limits are checked before orders are accepted from the customers. Also there is a system of periodic review of credit limits.

The Company's maximum exposure to credit risk as at 31st March, 2017, 2016 and 1st April, 2015 is the carrying value of each class of financial assets.

The company is making provisions on trade receivables based on Simplified Approach of Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2016-17	2015-16
Opening Balance	53,74,446	19,68,853
Changes in loss allowance:		
Additional Provision	44,13,183	34,05,593
Closing Balance	97,87,629	53,74,446



**C.) Liquidity risk management**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through fund based limit in Bank Accounts.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying Amount	Undiscounted Amount			Total
		Payable within 1 year	1-2 years	More than 2 years	
<b>As at March 31 , 2017</b>					
Trade Payables*	88,11,72,829	88,11,72,829	-	-	88,11,72,829
Borrowings	10,47,579	-	10,47,579	-	10,47,579
Other financial Liabilities	3,69,52,913	3,69,52,913	-	-	3,69,52,913
<b>Total</b>	<b>91,91,73,321</b>	<b>91,81,25,742</b>	<b>10,47,579</b>	<b>-</b>	<b>91,91,73,321</b>
<b>As at March 31 , 2016</b>					
Trade Payables*	78,46,20,916	78,46,20,916	-	-	78,46,20,916
Borrowings	-	-	-	-	-
Other financial Liabilities	1,56,05,161	1,56,05,161	-	-	1,56,05,161
<b>Total</b>	<b>80,02,26,077</b>	<b>80,02,26,077</b>	<b>-</b>	<b>-</b>	<b>80,02,26,077</b>
<b>As at April 1 , 2015</b>					
Trade Payables*	62,95,00,111	62,95,00,111	-	-	62,95,00,111
Borrowings	-	-	-	-	-
Other financial Liabilities	1,36,96,754	1,36,96,754	-	-	1,36,96,754
<b>Total</b>	<b>64,31,96,865</b>	<b>64,31,96,865</b>	<b>-</b>	<b>-</b>	<b>64,31,96,865</b>

\* Trade Payable includes Rs. 22,94,58,234/- as at March 31, 2017 ( Rs. 15,29,10,841/- as at March 31, 2016 and Rs 21,12,29,293/- as at April 1, 2015) which is payable to the contractor only when the payment is received from customer.

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**RAJASTHAN ELECTRONICS INSTRUMENTATION LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2017 ( Contd.)

(All amounts in ₹ , unless otherwise stated )

**35. Related Party Disclosures****(a) Name of the Related Parties and Description of Relationship:****As at March 31, 2017**

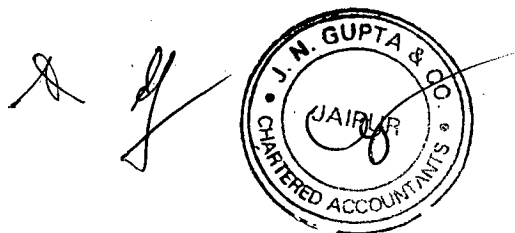
Nature of Relationship	Name of Entity	Abbreviation used
Promoters	Instrumentation Ltd. Kota	ILK
	RIICO Ltd.	RIICO
Key Management Personnel	Shri AK Jain	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

**As at March 31, 2016**

Nature of Relationship	Name of Entity	Abbreviation used
Promoters	Instrumentation Ltd. Kota	ILK
	RIICO Ltd.	RIICO
Key Management Personnel	Shri AK Jain	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

**As at March 31, 2015**

Nature of Relationship	Name of Entity	Abbreviation used
Promoters	Instrumentation Ltd. Kota	ILK
	RIICO Ltd.	RIICO
Key Management Personnel	Shri AK Jain	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS



RAJASTHAN ELECTRONICS INSTRUMENTATION LIMITED  
Notes forming part of the Financial Statements for the year ended March 31, 2017 ( Contd.)

(All amounts in ₹ , unless otherwise stated )

Related Party Disclosures (contd.)

35(b) Transactions/ balances with above mentioned related parties (mentioned in note 35(a) above)

As at Mar 31, 2017

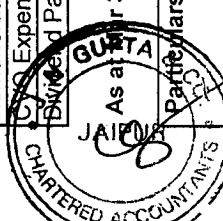
Particulars	Instrumentation Ltd. Kota	RIICO Ltd.	Shri AK Jain	Shri Subhash Agrawal	Shri Amit Kumar Jain	Total
Balance						
Trade Receivable	-	1,05,000	-	-	-	1,05,000
Security Deposit	-	40,470	-	-	-	40,470
Trade Payable	5,36,352	-	-	-	-	5,36,352
Advances	2,91,764	-	-	-	-	2,91,764
Transactions						
Interest Accrued and Due	-	-	-	-	-	-
Remuneration	-	-	34,33,098	20,57,715	6,95,035	61,85,848
CVO Expenses	10,66,722	-	-	-	-	10,66,722
Dividend Paid	2,14,77,917	2,06,35,646	-	-	-	4,21,13,563

As at Mar 31, 2016

Particulars	Instrumentation Ltd. Kota	RIICO Ltd.	Shri AK Jain	Shri Subhash Agrawal	Shri Amit Kumar Jain	Total
Balance						
Trade Receivable	-	1,05,000	-	-	-	1,05,000
Security Deposit	-	40,470	-	-	-	40,470
Trade Payable	5,36,352	-	-	-	-	5,36,352
Advances	7,94,890	-	-	-	-	7,94,890
Transactions						
Sale of SPV and Installation and Commissioning	-	45,52,425	-	-	-	45,52,425
Remuneration	-	-	31,89,379	19,19,770	6,67,073	57,76,222
CVO Expenses	9,39,193	-	-	-	-	9,39,193
Dividend Paid	1,03,81,558	99,74,439	-	-	-	2,03,55,997

As at April 1, 2015

Particulars	Instrumentation Ltd. Kota	RIICO Ltd.	Shri AK Jain	Shri Subhash Agrawal	Shri Amit Kumar Jain	Total
Balance						
Trade Receivable	-	1,05,000	-	-	-	1,05,000
Trade Payable	4,24,482	-	-	-	-	4,24,482



36. Segment Reporting

In Compliance of Ind AS 108 on "Segment Reporting" issued by Institute of Chartered Accountants of India, the required information is as under:  
Business Segments: - The Company has adopted following business segments as its reportable segment.

1. Solar Energy
2. Electronic
3. Wind Power

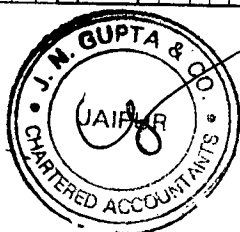
Geographical Segment has been considered for secondary Segments Reporting by treating sales revenue in India and foreign countries as separate geographical segments.

(i) Primary - Business Segments:

	Solar Energy		Electronic		Wind Power		Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Revenue								
External (Net of ED)	14,550.25	10,936.83	8,256.21	10,292.56	43.07	44.45	22,849.53	21,273.84
Inter-Segment								
Segment Revenue	14,550.25	10,936.83	8,256.21	10,292.56	43.07	44.45	22,849.53	21,273.84
Total Revenue								
Segment results								
Interest income	1,093.93	975.22	670.90	705.26	20.64	12.03	1,785.47	1,892.81
Interest expenditure							134.89	240.80
Provision for taxation							182.95	155.57
Net Profit / (Loss)	1,093.93	975.22	670.90	705.26	20.64	12.03	522.56	555.07
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Segment assets								
Unallocated Assets	16,426.18	13,355.10	5,035.35	4,771.87	298.10	320.53	21,759.63	18,447.50
Total assets							2,220.04	2,356.41
Segment liabilities								
Unallocated Liabilities	5,357.78	5,016.41	1,742.89	1,759.45	28.59	28.59	7,129.26	6,804.45
Total liabilities							16,850.41	13,999.46
Capital Expenditure for the year	426.38	194.38	402.16	20.97			828.54	215.35
Depreciation for the year	117.03	118.00	43.94	42.61	22.43	22.43	183.40	183.04
Non cash expenditure other than depreciation for the year		3.52		5.46				8.98

(ii) Secondary - Geographical Segments:

Particulars	India		Outside India	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Revenue - External	22,827.91	21,250.37	21.62	23.47
Carrying Amount of Segment Assets	21,759.63	18,447.50		
Capital Expenditure/ Additions to Fixed Assets	828.54	215.35		





37. Other notes annexed to and forming parts of the accounts for the year ended March 31, 2017

A. CIF value of imports

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw material & Components	31,59,63,535	31,17,18,807
Plant & Machinery	82,40,231	21,87,037

B. Expenditure in foreign currency

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Foreign Travelling	1,29,667	5,07,236
Display & Exhibition	13,508	-

C. Earning in foreign exchange on FOB value

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Export Sales	20,68,411	23,46,957
Others-misc. income	2,22,162	3,07,724

D.(i) Corporate Social Responsibility (2015-16)

-Gross amount required to be spent by the Company during the year- Rs 53,41,400/-  
-Amount spent during the year;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction/Acquisition of any asset	-	-	-
Others-misc. income	15,87,324	-	15,87,324

D.(ii) Corporate Social Responsibility (2016-17)

-Gross amount required to be spent by the Company during the year- Rs 39,00,000/-  
-Amount spent during the year;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction/Acquisition of any asset	-	-	-
On purpose other than above	58,95,044	-	58,95,044

E. Specified Bank Notes (SBN) Disclosure

Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017 disclosure of specified bank notes(SBN) held and transacted during the period from November 08, 2016 to December 30,2016 is provided in table below:

Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	32,500	15,814	48,314
(+) Permitted receipts	-	21,12,546	21,12,546
(-) Permitted payments	19,500	17,82,206	18,01,706
(-) Amount deposited in Banks	13,000	-	13,000
Closing cash in hand as on 30.12.2016	-	3,46,154	3,46,154

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

F. Expenditure on Research and Development

Particulars	2016-17	2015-16
Revenue	2,28,34,100	2,16,81,061
Capital	37,57,253	8,58,248
Total	2,65,91,353	2,25,39,309

*(Handwritten signatures)*



G. Disclosures under Section 22 of the MICRO, SMALL & MEDIUM Enterprises Development Act, 2006.

(Rs. In Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i) The Principal amount remaining unpaid to supplier as at the end of accounting year.*	3,617.56	2,091.46	2,372.34
ii) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	-	-
iii) The amount of interest paid in terms of section 16, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-	-
v) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-	-
Total	3,617.56	2,091.46	2,372.34

\* Mainly comprising of outstanding which is not payable due to contractual terms and conditions.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

H. Provision(s)/Adjustment(s) has not been made in the accounts for:

- (a) Additional liabilities, if any, in respect of pending Sales tax and Income-tax assessment, being unascertained and liabilities which may arise in future due to mismatching of input tax credit(VAT).  
(b) Claims pending for settlement in court of law, being unascertained.

I. Company is availing fund / non-fund based limits from Punjab National Bank, secured by way of Hypothecation of Raw Material, Stock in process, finished goods and book debts and further secured by second charge over fixed and movable Capital Assets of the Company.

J. Expenditure on Technical Literature, Software, Electronic Media Stores, Maintenance, Printing & Stationery and Consumable stores are charged to profit & loss account treating them as consumed in the year of purchases.

K. Sales does not include sales of spares for which service job reports from field has been received after closing of the financial year.

L. Impairment Loss

No impairment loss has been recognized during the year, since there was no indication of Impairment of any asset/CGU according to procedures/guidelines given under the Ind AS-36 "Impairment of Assets".

As per our report of even date attached

For & on behalf of J.N. Gupta & Co.

Chartered Accountants

FRN 006569C

Gopal Gupta

Partner

Membership No. 408839

Place: Jaipur

Date: 24-08-2017



For and on behalf of the Board

( Arupama Sharma )  
Director

( Amit Kumar Jain )  
Company Secretary

( A.K. Jain )  
Managing Director

( Subhash Agrawal )  
Addl. Gen. Manager (Fin.)