

## **Gupta Power Infrastructure Limited**

CIN: U31300WB1961PLC025104

Regd. Office: EN-62, Sector-V, Salt Lake City,  
Kolkata - 700091

**Standalone Financial Statements for the Year  
Ended March 31, 2019**





**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of M/s Gupta Power Infrastructure Limited**

### **1. Opinion**

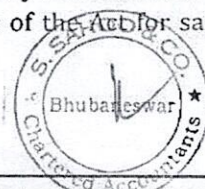
We have audited the accompanying standalone financial statements of M/s Gupta Power Infrastructure Limited ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

### **2. Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the stand alone financial statements.

### **3. Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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







**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

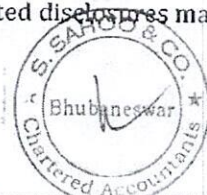
In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. Those boards of directors are also responsible for overseeing the company's financial reporting process.

#### **4. Auditor's Responsibilities for the Audit of standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.







**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statement, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Companies(Auditor's Report)Order,2016('the Order'),issued by the Central Government of India in terms of sub-section(11) of section143 off the Companies act,2013,we give in "Annexure-1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.







**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit :
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and Cash flows dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us ;
  - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements ;
  - ii) The Company did not have either long-term contracts including derivative contracts as at March 31, 2019 ;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.



Bhubaneswar  
Date: 5<sup>th</sup> August 2019

**For S.Sahoo & Co**  
Chartered Accountants  
Firm's Registration Number:322952E

**(CA AJIT KUMAR SWAIN, FCA)**  
Partner  
Membership Number: 056518

UDIN NO - 19056518AAAA BSHF





**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

**Annexure 1 to Independent Auditor's Report**

**(Referred to in paragraph 5(1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets..
- (c) According to the information and explanations given to us and on the basis of our examination of records of the company, the title/lease deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties and stocks in transit have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. 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 Act.
- iv. In our opinion, and according to the information and explanations given to us, the Company has not advanced loans to Directors/to a Company in which the Director is interested to which provisions of Section 185 of the Act apply. The provisions of section 186 of the Act, in our opinion is not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits as per the provisions of the Act.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section(1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of the records with the view to determine whether they are accurate or complete.
- vii. (a) According to records of the company undisputed statutory dues including provident fund, income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and Service Tax, Cess and other statutory dues have generally been regularly deposited with as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2019 for a period more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax, Value added Tax, Goods and Service Tax which have not been deposited on account of any dispute except the following:







**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

Name of the statute	Demand Amount (in Rs.Lakhs)	Amount Paid under Protest (In Rs.Lakhs)	Period to which the amount relates	Forum where dispute is pending
Entry Tax	111.04	54.05	2000-2003	Sales Tax Tribunal
Central Sales Tax	508.87	62.52	2005-06, 2013-15, Oct.15-Mar.16, Apr.16-June-17	JCTT(Appeals), Bhubaneswar Range, Tribunal, Cuttack

- viii. The Company has not defaulted in repayment of dues to banks. The Company has not issued any debenture and has not borrowed any amount from financial institutions or government.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer.
- x. According to the information and explanations given to us, no material fraud on the company by its officers or employees or by the Company has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013, where applicable and the details have been disclosed in the notes to stand alone financial statements, as required by the applicable Indian 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.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions specified under section 192 of the Act with the directors or persons connected with him.
- xvi. In our opinion, the Company is not required to register under Section 45-IA of the Reserve Bank of India Act, 1934.



Bhubaneswar  
Date: 5<sup>th</sup> August 2019

**For S.Sahoo & Co**

Chartered Accountants  
Firm's Registration Number: 322952E

**(CA AJIT KUMAR SWAIN, FCA)**

Partner

Membership Number: 056518

UDIN NO - 19056518 AAAAB379 79





**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

**Annexure 2 to Independent Auditor's Report**

**(Referred to in paragraph 5(2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls with reference to Financial statements under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s Gupta Power Infrastructure Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

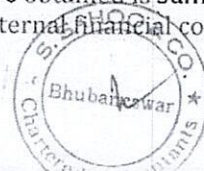
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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







**S. SAHOO & CO.**

Chartered Accountants

Plot No. 583, Saheed Nagar  
Bhubaneswar - 751007  
Phone : (0674) 2548864  
Mobile : 9437004464, 9437484464  
Fax : (0674) 2548864  
E-mail : swainajit@yahoo.co.in  
ajitswain1966@yahoo.com

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

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

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

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

### **Opinion**

In our opinion, 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, 2019, 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.

Bhubaneswar  
Date: 5<sup>th</sup> August 2019



**For S.Sahoo & Co**

Chartered Accountants

Firm's Registration Number: 322952E

(CA AJIT KUMAR SWAIN, FCA)

Partner

Membership Number: 056518

UDIN NO - 19056518 AAAABS 7179



**GUPTA POWER INFRASTRUCTURE LIMITED**  
REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091

BALANCE SHEET AS AT 31st MARCH 2019

		(Rupees in Lakhs)	
PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
<b>I. ASSETS</b>			
(1) <u>Non Current Assets</u>			
(a) <u>Fixed Assets</u>			
(i) Property, Plant & Equipment	1	21,045.83	13,428.32
(ii) Intangible Assets	1	30.55	30.78
(iii) Capital Work-in- Progress		3,142.35	9,695.34
(b) Long Term Loans and Advances		24,218.73	23,154.44
(c) Non-Current Investments	2	835.25	818.21
(d) Deferred Tax Asset	3	350.57	392.57
			12.91
<b>Total- Non Current Assets</b>		25,404.55	24,378.13
(2) <u>Current Assets</u>			
(a) Inventories	4	48,778.02	34,307.57
(b) Trade Receivables	5	74,233.86	71,283.17
(c) Cash & Cash Equivalents	6	13,197.15	12,084.20
(d) Short Term Loans and Advances	7	3,379.71	839.58
(e) Other Current Assets	8	-	-
<b>Total- Current Assets</b>		139,588.74	118,514.52
<b>TOTAL ASSETS</b>		164,993.29	142,892.65
<b>II. EQUITY AND LIABILITIES</b>			
(1) <u>Shareholders' Funds</u>			
(a) Equity Share Capital	9	954.36	954.36
(b) Other Equity	10	53,450.58	48,326.47
<b>Total-Shareholders' funds</b>		54,404.94	49,280.83
(2) <u>Non-Current Liabilities</u>			
(a) Long Term Borrowings	11	6,123.25	8,339.47
(b) Deferred Tax Liabilities (net)		31.29	-
(c) Other Long Term liabilities	12	-	-
<b>Total- Non Current Liabilities</b>		6,154.54	8,339.47
(3) <u>Current Liabilities</u>			
(a) Short Term Borrowings	13	68,040.98	61,130.40
(b) Trade Payables	14	-	-
i) Total Outstanding dues of micro & small enterprises		1,625.56	4,908.77
ii) Total Outstanding dues of creditors other than micro & small enterprises		25,224.13	10,920.93
iii) Other Sundry Creditors		4,726.64	5,051.59
(c) Other Current Liabilities	15	4,291.90	2,957.86
(d) Short Term Provisions	16	524.60	302.80
<b>Total- Current Liabilities</b>		104,433.81	85,272.35
<b>TOTAL-EQUITY AND LIABILITIES</b>		164,993.29	142,892.65

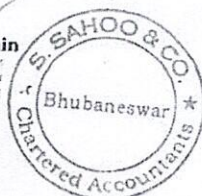
Significant Accounting Policies  
Notes to Financial Statements  
In terms of our annexed report of even date.

23

For S. SAHOO & Co.  
Chartered Accountants  
Firm's Registration Number: 322952E

For and on behalf of the Board

CA. Ajit Kumar Swain  
Partner  
M.No- 056518  
BHUBANESWAR  
05.08.2019



*(Signature)*  
(B.R. Gupta)  
Chairman

*(Signature)*  
(M.K. Gupta)  
Managing Director

*(Signature)*  
(J.M. Gupta)  
Director



**GUPTA POWER INFRASTRUCTURE LIMITED**  
REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019**

		(Rupees in Lakhs)	
PARTICULARS	NOTE NO.	FOR THE YEAR ENDED ON 31.03.2019	31.03.2018
<b>I) INCOME:-</b>			
(a) Gross Revenue from Operations	17	351,546.03	332,331.77
Less: Excise Duty		-	3,840.99
Revenue From Operations(Net)		351,546.03	328,490.78
(b) Other Income		30.11	19.73
<b>Total Revenue</b>		<b>351,576.14</b>	<b>328,510.51</b>
<b>II) EXPENDITURE:-</b>			
(a) Cost of Material Consumed	18	314,202.38	286,549.06
(b) Changes in Inventories of Stock-in-Trade, Finished Goods & Work in Progress	19	(6,559.68)	2,403.23
(c) Employee Benefits Expenses	20	7,352.45	6,477.17
(d) Finance Cost	21	10,111.52	9,535.60
(e) Depreciation & Amortisation Expenses	1	1,488.52	1,469.94
(f) Operation and Other Expenses	22	17,178.31	15,647.87
<b>Total Expenses</b>		<b>343,773.50</b>	<b>322,082.86</b>
<b>III) Profit / (Loss) before exceptional items and tax (I) - (II)</b>		<b>7,802.64</b>	<b>6,427.65</b>
<b>IV) Exceptional Items</b>			
<b>V) Profit / (Loss) Before Tax (III) - (IV)</b>		<b>7,802.64</b>	<b>6,427.65</b>
<b>VI) Tax Expenses</b>			
Income Tax		1,443.49	837.93
Deferred Tax		44.21	43.49
		<b>1,487.70</b>	<b>881.42</b>
<b>VII) Profit After Tax (V) - (VI)</b>		<b>6,314.94</b>	<b>5,546.23</b>
<b>VIII) Other Comprehensive Income</b>			
i) Processing Fee (Bank Charges) on Term Loans from Banks		(7.00)	(7.00)
Income Tax relating to above		2.45	2.42
ii) Increase in Value of Investments		(2.00)	29.48
Income Tax relating to above		0.70	(10.20)
<b>Total Other Comprehensive Income for the year</b>		<b>(5.85)</b>	<b>14.70</b>
<b>IX) Total Comprehensive Income for the year (VII+VIII)</b>		<b>6,309.09</b>	<b>5,560.93</b>
<b>X) Basic and Diluted Earning Per Share</b>		<b>66.11</b>	<b>58.27</b>

Significant Accounting Policies  
Notes to Financial Statements  
In terms of our annexed report of even date.

23

For S.SAHOO & CO.  
Chartered Accountants  
Firm's Registration Number: 322952E

For and on behalf of the Board

CA. Ajit Kumar Swain  
Partner  
M. No- 056518  
BHUBANESWAR  
05.08.2019



(B.R. Gupta)  
Chairman

(M.K. Gupta)  
Managing Director

(J.M. Gupta)  
Director



**GUPTA POWER INFRASTRUCTURE LIMITED**  
REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

	(Rupees in Lakhs)	
	AS AT 31.03.2019	AS AT 31.03.2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</b>		
Net Profit before tax and extraordinary items as per Profit & Loss Account	7,902.64	6,427.65
Adjusted for:-		
Depreciation	1,488.52	1,469.94
Profit on Sale of Investments	(17.15)	-
Profit on Sale of Fixed Assets	(3.86)	-
Interest and Finance Charges	10,111.52	9,535.60
Operating Profit before Working Capital Changes	19,381.66	17,433.20
Adjusted for:-		
(Increase)/Decrease in Trade Receivables	(2,950.69)	(8,653.18)
(Increase)/Decrease in Inventories	(14,470.45)	4,450.23
(Increase)/Decrease in Short Term Loans and Advances	(2,547.13)	317.71
(Increase)/Decrease in Long Term Loans and Advances	(17.04)	(154.52)
Increase/(Decrease) in Trade Payables	10,695.05	777.17
Increase/(Decrease) in Other Current Liabilities	1,335.68	(23.55)
Increase/(Decrease) in Short Term Provisions	6.82	5.82
Cash Generated from Operations	11,433.90	14,152.88
Direct Taxes Paid -Net	(2,298.61)	(1,883.17)
Net Cash (used in)/from Operating Activities	9,135.29	12,269.71
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:-</b>		
Purchase of Fixed Assets	(9,110.64)	(481.08)
Proceeds from Sale of Fixed Assets	8.69	-
(Increase)/Decrease in Capital Work-in-Process	6,552.98	(1,843.27)
Purchase of Non-Current Investments	(5.00)	(13.90)
Sale of Non-Current Investments	62.15	-
Net cash (used in)/from Investing Activities	(2,491.82)	(2,338.25)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:-</b>		
Proceeds from Long Term Borrowings (net)	(2,214.72)	299.26
Proceeds from Short Term Borrowings (net)	6,910.58	(24.69)
Interest & Finance Charges Paid	(10,111.52)	(9,535.60)
Dividends Paid	(95.44)	(95.44)
Dividend Distribution Tax Paid	(19.43)	(19.43)
Net Cash (used in)/ from Financing Activities	(5,530.52)	(9,375.91)
Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)	1,112.95	555.55
Opening Balance of Cash and Cash Equivalents	12,084.20	11,528.65
Closing Balance of Cash and Cash Equivalents	13,197.15	12,084.20
In terms of our annexed report of even date.		

For S. SAHOO & Co.  
Chartered Accountants  
Firm's Registration Number: 322952E

CA. Ajit Kumar Swain  
Partner  
M. No- 056518  
BHUBANESWAR  
05.08.2019



For and on behalf of the Board

(B.R. Gupta)  
Chairman

(M.K. Gupta)  
Managing Director

(J.M. Gupta)  
Director



**GUPTA POWER INFRASTRUCTURE LIMITED**  
**REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE - 2 : LONG TERM LOANS AND ADVANCES**

Security Deposits-Unsecured and considered good

**NOTE - 3 : NON-CURRENT INVESTMENTS**

- a) Investment in Govt Securities  
b) Investments in Shares & Mutual Funds  
c) Investments in Gold

**NOTE - 4 : INVENTORIES**

Consumables, Spares and Packing Materials  
Raw Materials  
Stock-in-transit  
Work in Progress  
Finished Goods

**NOTE - 5 : TRADE RECEIVABLES**

(Unsecured and Considered Good)

Outstanding for more than six months  
Outstanding for less than six months

**NOTE - 6 : CASH & CASH EQUIVALENTS**

Cash in Hand(As certified by the Management)

Balances with Scheduled Banks

(i) in Deposit Account

(Against margin money for working capital limit)

(ii) in Current Accounts

**NOTE - 7 : SHORT TERM LOANS AND ADVANCES**

Advances recoverable in cash or kind or for value to be received

**NOTE - 8 : OTHER CURRENT ASSETS**

Miscellaneous Expenditure to the extent not written off

( Rupees in Lakhs)

As at 31.03.2019	As at 31.03.2018
---------------------	---------------------

835.25	818.21
--------	--------

240.79	282.79
109.78	109.78
350.57	392.57

7,784.80	6,151.92
23,419.00	17,157.83
16.73	-
7,941.34	4,803.42
9,616.15	6,194.39
48,778.02	34,307.57

1,510.89	1,135.06
72,722.97	70,148.11
74,233.86	71,283.17

11.18	12.17
-------	-------

10,892.74	10,315.13
-----------	-----------

2,293.23	1,756.90
13,197.15	12,084.20

3,379.71	839.58
----------	--------

3,379.71	839.58
----------	--------





**GUPTA POWER INFRASTRUCTURE LIMITED**  
REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation.

**NOTE - 9: EQUITY SHARE CAPITAL**

- (a) **Authorised Capital:**  
10000000 (Last Year 10000000 shares of Rs 10/- each)  
Equity Shares of Rs. 10/- Each
- (b) **Issued, Subscribed and Paid up Capital:**  
9543560 (Last Year 9543560 shares of Rs.10/- each)  
Equity Shares of Rs. 10/- Each
- (i) **The reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Equity Shares at the beginning of the year of Rs 10/-  
Add : Additional shares issued during the year  
Equity Shares at the end of the year

- (ii) The company has only one class of equity shares with voting rights (one vote per share)
- (iii) The company does not have any holding or ultimate holding company.

(Rupees in Lakhs)	
As at	As at
31.03.2019	31.03.2018
1,000.00	1,000.00
1,000.00	1,000.00
954.36	954.36
954.36	954.36

No. of Shares as at 31st March, 2019	Rs. In Lakhs	No. of Shares as at 31st March, 2018	Rs. In Lakhs
9,543,560.00	954.36	9,543,560.00	954.36
9,543,560.00	954.36	9,543,560.00	954.36





**GUPTA POWER INFRASTRUCTURE LIMITED**  
**REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE - 10 : OTHER EQUITY**

**(a) Securities Premium Account**

Balance at the beginning of the year

Add: Amount Received on issue of Equity Shares

Balance at the end of the year

As at 31.03.2019	As at 31.03.2018
11,131.36	11,131.36
11,131.36	11,131.36

**(b) Surplus in the Statement of Profit & Loss**

Balance at the beginning of the year

Add: Profit for the Year

Less: Dividend

Less: Dividend Distribution Tax

Less: Income tax of earlier year adjusted

Balance at the end of the year

Balance carried to Balance Sheet

37,195.11	32,857.54
6,309.09	5,560.93
43,504.20	38,418.47
95.44	95.44
19.43	19.43
1,070.11	1,108.50
42,319.22	37,195.11
53,450.58	48,326.47

**NON CURRENT LIABILITIES**

**NOTE - 11: LONG TERM BORROWINGS**

**SECURED LOANS FROM BANKS:**

(Term loan under consortium finance secured by 1st  
Parripaasu charge over the fixed asset of the company  
situated at Khurda, Kashipur & Chennai)

ICICI Bank Ltd

IndusInd Bank

HDFC Bank

**SECURED LOAN AGAINST HYPOTHECATION**

**OF VEHICLES FROM:**

HDFC Bank Ltd

AXIS Bank Ltd

Toyota Finance

Canara Bank

444.45	888.89
-	389.06
382.25	744.44
-	1.98
0.19	2.43
-	14.19
7.09	-

**UNSECURED LOANS FROM:**

Borrowing from Body Corporates

5,289.27	6,298.48
6,123.25	8,339.47

**NOTE - 12 : OTHER LONG TERM LIABILITIES**





**GUPTA POWER INFRASTRUCTURE LIMITED**  
REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( Rupees in Lakhs)

**CURRENT LIABILITIES**

**NOTE - 13 : SHORT TERM BORROWINGS**

**Secured Borrowings**

Working Capital Loan under consortium arrangement against  
Hypothecation of Stocks and Book Debts

As at 31.03.2019	As at 31.03.2018
68,040.98	61,130.40
<b>68,040.98</b>	<b>61,130.40</b>

**NOTE -14: TRADE PAYABLES**

**Sundry Creditors for Goods Supplied**

- a) Total Outstanding dues of micro & small enterprises  
b) Total Outstanding dues of creditors other than micro &  
small enterprises

1,625.56	4,908.77
25,224.13	10,920.93
<b>26,849.69</b>	<b>15,829.70</b>
4,726.64	5,051.59
<b>31,576.33</b>	<b>20,881.29</b>

Sundry Creditors - Others

**NOTE - 15 : OTHER CURRENT LIABILITIES**

**Current maturities of long term debt:**

(Term loan under consortium finance secured  
by 1st Parripassu charge over the fixed asset of  
the company situated at Khurda, Kashipur & Chennai)

ICICI Bank Ltd	444.44	444.44
IndusInd Bank	389.06	456.25
HDFC Bank	362.19	411.11

**Secured Loans from Banks against**

**Hypothecation of Vehicles**

HDFC Bank	1.98	27.53
AXIS Bank	2.24	2.54
Oriental Bank of Commerce	-	3.77
Toyota Finance	14.19	15.77
ICICI Bank Ltd	-	0.54
Canara Bank	7.34	-

**Other Payables:**

Audit Fees Payable	4.00	4.00
Goods & Service Tax Payable	290.46	446.55
VAT Payable	-	0.92
TDS Payable	257.01	198.72
Professional Tax Payable	1.76	1.68
Others	2,517.23	944.02
	<b>4,291.90</b>	<b>2,957.86</b>

**NOTE - 16 : SHORT TERM PROVISIONS**

**Provision for Employees Benefits**

E.S.I. Payable	4.93	3.65
Provident Fund Payable	26.18	20.64

Provision for Income Tax

Less: Income tax paid

**Income Tax Payable(Net)**

31.11	24.29
1,443.49	848.51
950.00	570.00
<b>493.49</b>	<b>278.51</b>

**TOTAL**

<b>524.60</b>	<b>302.80</b>
---------------	---------------





**GUPTA POWER INFRASTRUCTURE LIMITED**  
REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( Rupees in Lakhs)

FOR THE YEAR ENDED

**31.03.2019                      31.03.2018**

**NOTE - 17: REVENUE FROM OPERATIONS :-**

Gross Sales	351,546.03	332,331.77
Less: Excise Duty	-	3,840.99
	351,546.03	328,490.78
Other Income	30.11	19.73
	<b>351,576.14</b>	<b>328,510.51</b>

**NOTE - 18 : COST OF RAW MATERIALS CONSUMED :-**

Opening Stock of Raw Materials	17,157.83	14,370.69
Purchase of Stock-in-Trade	326,947.48	293,946.23
(Including Carriage Inward, Clearing Charges, Job Work Charges, Other Direct Expenses, GST Exp., Forex Gain/Loss & Net of Stock Transfers)		
(Less): Quantity Discount Received	(6,483.93)	(4,610.03)
	337,621.38	303,706.89
Less : Closing Stock of Raw Materials	23,419.00	17,157.83
	<b>314,202.38</b>	<b>286,549.06</b>

**NOTE- 19 : (ACCRETION)/REDUCTION IN STOCK :-**

Opening Stock		
Work in process	4,803.42	5,655.29
Finished Goods	6,194.39	7,745.75
	10,997.81	13,401.04
Less :Closing Stock		
Work in process	7,941.34	4,803.42
Finished Goods	9,616.15	6,194.39
	17,557.49	10,997.81
	<b>(6,559.68)</b>	<b>2,403.23</b>

**NOTE - 20 : EMPLOYEES BENEFIT EXPENSES :-**

E.S.I. Contribution	39.12	31.16
P.F. Employers Contribution	142.75	135.44
Salary to Staff	4,735.33	4,323.76
Wages	2,174.67	1,765.35
Staff & Workers Welfare	214.17	190.66
Bonus	42.67	22.30
Professional tax	0.29	-
Gratuity Expenses	3.45	8.51
<b>TOTAL</b>	<b>7,352.45</b>	<b>6,477.17</b>

**NOTE-21 : FINANCE COST**

Interest Expenses	8,284.41	7,961.37
Bank Charges	1,827.11	1,574.23
<b>TOTAL</b>	<b>10,111.52</b>	<b>9,535.60</b>





**GUPTA POWER INFRASTRUCTURE LIMITED**  
REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED**

**31.03.2019                      31.03.2018**

**NOTE-22 : OPERATION AND OTHER EXPENSES:-**

**(1) MANUFACTURING EXPENSES**

Power & Fuel	1,455.19	1,321.66
Consumable Stores	936.43	909.58
Central Excise Expenses	3.79	31.22
Crane & Fork Lift Expenses	92.96	89.61
Loading & Unloading Expenses	73.05	33.70
Packing & Forwarding Expenses	2,751.80	2,743.73
Repair & Maintenance -Plant & Machinery	47.91	49.95
Repair & Maintenance -Factory Building	22.37	18.95
AMC Expenses	25.99	31.27
Erection Charges	4,713.49	3,663.34
Labour Welfare Cess	43.74	324.03
Site Expenses	646.88	623.47
Lab Expenses	1.83	2.54
Calibration charges	11.15	6.54
Technical Consultancy Charges	37.73	4.37
Weighing Charges	0.42	0.49
Security Guarding Expenses	641.10	515.55
<b>TOTAL-(1)</b>	<b>11,505.83</b>	<b>10,370.02</b>

**(2) ADMINISTRATIVE EXPENSES**

Rent, Rates & Taxes	341.35	276.87
Postage, Telegram & Telephones	120.18	158.66
Printing & Stationary	53.28	53.12
Audit Fees	6.00	5.51
Legal and Professional Charges	381.89	389.50
Office Maintenance	31.04	9.36
Housekeeping Expenses	68.61	53.84
Guest House Expenses	50.67	73.53
Travelling and Conveyance	417.35	387.26
Motor Car & Motor Cycle Expenses	405.23	348.54
General Expenses	42.41	38.84
Miscellaneous Expenses	82.87	59.00
Registration Exp	11.11	1.71
CSR Expenses	128.91	150.11
Recruitment Expenses	15.09	21.60
Insurance	369.55	244.63
Directors' Remuneration	254.25	184.00
Charity and Donation	17.95	30.81
Computer Expenses	25.30	43.91
Round Off	0.12	0.36
Licence Fees	60.33	46.06
Membership and Subscription Fees	6.97	19.15
Repair and Maintenance Expenses	81.64	84.05
<b>TOTAL-(2)</b>	<b>2,972.10</b>	<b>2,680.39</b>





**GUPTA POWER INFRASTRUCTURE LIMITED**  
**REGD OFFICE: EN-62, SECTOR-V, SALT LAKE CITY, KOLKATA-700091**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>FOR THE YEAR ENDED</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>(3) SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement and Publicity	29.40	81.84
Business Promotion	133.64	281.10
Sponsorship	21.95	22.61
Tour Expenses	102.02	144.74
Carriage Outward	1,362.08	1,174.59
Service Tax Expenses	3.59	41.83
Royalty Charge	-	73.63
Testing Fees	224.08	83.44
Tender Fees	45.00	(5.35)
Central Sales Tax Expenses	60.60	8.06
GST Expenses	33.47	0.29
VAT Expenses	31.30	137.82
CST Expenses	2.03	-
Entry Tax Expenses	0.43	108.62
Truck and Tractor Expenses	145.92	87.02
Accounts Written Off	15.82	(0.18)
LD Charges	49.40	0.63
Detention Charges	3.22	4.70
Schemes & Incentives	7.38	30.28
Supervision Expenses	13.57	19.50
Discount on Sales	44.84	43.77
Commission & Brokerage	370.64	258.50
<b>TOTAL-(3)</b>	<b>2,700.38</b>	<b>2,597.45</b>
<b>GROSS TOTAL-OPERATION AND OTHER EXPENSES (1+2+3)</b>	<b>17,178.31</b>	<b>15,647.87</b>



NOTE - 1 : PROPERTY, PLANT & EQUIPMENT

M/s. GUPTA POWER INFRASTRUCTURE LTD.

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2018	Addition During The Year		Sold during the year	Rate %	Upto 31.03.2018	Dep. for the Year Transferred to P/L A/c.	Adjustment Transferred to P/L A/c. during the year	Upto 31.03.2019	Closing Balance As on 31.03.2019
		More Than Six Month	Less Than Six Month							
Land	5,219.16	1.98	-	-	-	5,221.14	-	-	-	5,221.14
Land (Lease Hold)	134.55	-	-	-	66 Yrs.	134.55	12.48	2.25	14.73	119.82
Plant & Machinery	3,063.46	-	1,741.52	0.95	13.91	4,804.03	1,855.35	265.83	2,120.90	2,683.13
Other Auxiliary Equipment	2,815.26	64.10	283.12	-	13.91	3,162.48	1,590.96	240.82	1,831.78	1,330.70
Fork Lift	565.72	0.09	10.69	-	25.89	576.50	343.44	40.78	384.22	192.28
Air Conditioner	165.41	10.53	2.85	-	13.91	178.79	115.10	26.22	141.32	37.47
Computer	429.64	19.61	30.63	-	40	479.88	248.20	39.70	239.90	191.98
Cycle	-	-	-	-	20	-	-	-	-	181.44
Office Building & Stores	615.13	0.29	185.70	-	5	805.12	143.65	25.25	168.90	636.22
Electrical Installation	1,119.02	39.79	1,340.08	-	13.91	2,498.89	857.93	120.02	977.95	1,520.94
Building & Factory Shed	6,100.78	3.03	4,873.99	-	10.00	10,977.80	2,615.27	374.38	2,995.27	7,981.53
Furniture & Fixture	438.79	0.15	139.15	-	18.1	578.09	259.78	52.77	312.55	265.54
Gobar Gas Plant	-	-	-	-	13.91	-	-	-	-	179.01
Laboratory Equipment	447.59	17.04	200.25	-	13.91	664.88	246.40	64.48	310.88	354.00
Motor Cycle	68.86	6.25	2.08	0.58	25.89	77.61	55.28	5.21	60.27	17.34
Motor Car	1,093.89	37.58	34.58	23.94	13.91	1,142.11	823.61	96.17	899.65	242.46
Telephone EPABX	260.99	8.13	17.09	-	13.91	286.21	182.31	40.51	222.82	63.39
Type writer & Office equip	232.72	10.13	13.48	-	13.91	256.33	178.14	28.77	206.91	49.42
Generator	113.64	-	-	-	25.89	113.64	60.46	9.62	70.08	43.55
Crane	-	-	-	-	13.91	-	-	-	-	-
Water Cooler	-	-	-	-	13.91	-	-	-	-	-
Geyser	-	-	-	-	13.91	-	-	-	-	-
Truck	424.06	-	-	-	30	424.06	326.50	30.47	356.97	67.09
Tractor	50.48	-	-	-	30	50.48	41.70	2.74	44.44	6.04
Weigh Bridge	68.53	0.53	0.81	-	13.91	69.67	42.81	5.30	48.11	21.76
Total (A)	23,428.68	219.23	8,880.02	25.47	-	32,502.46	10,000.37	1,471.29	11,456.65	21,045.83
INTANGIBLE ASSETS :-										
Computer Softwares	273.58	17.00	-	-	40.00	290.58	242.80	17.23	260.03	30.55
Total (B)	273.58	17.00	-	-	40.00	290.58	242.80	17.23	260.03	30.55
Total (A) + (B)	23,702.26	236.23	8,880.02	25.47	-	32,793.04	10,243.17	1,488.52	11,716.68	21,076.38
Previous Year :	23,251.27	250.23	185.51	35.61	-	23,702.25	8,803.32	1,468.79	10,243.16	13,459.09





**Note-23: Significant Accounting Policies and Notes to the Standalone Financial Statements for the year ended March 31, 2019**

**1. Corporate Information**

Gupta Power Infrastructure Limited ('GPIL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at EN-62, Sector-V, Salt Lake City, Kolkata-700091. The Company's shares are not listed in any Stock Exchange. The Company is engaged in manufacturing of Control & Power Cables, Overhead power transmission conductors, HTLS & Gap conductors as well as house wires and LED lights under the brand name "Rhino". The Company also undertakes turnkey projects for set-up of power stations & transmission lines through its EPC Divisions situated at different places in India.

**2. Application of New Indian Accounting Standards**

The Company has adopted all the Ind AS Standards issued under section 133 of the Companies Act 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable except Ind AS 19 "Employee Benefits".

**3. Significant accounting policies**

**3.1. Statement of compliance**

In accordance with the notification dated 16<sup>th</sup> February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2017.

**3.2. Basis of preparation**

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, 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.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

**Fair value measurement**

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

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.



### 3.3. Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land and land under perpetual lease are not depreciated.

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of PPE (other than freehold land and properties under construction) less their residual values, using the written down value method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company.

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding Rs.5,000/- which are fully depreciated at the time of addition.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

An item of PPE is de-recognised 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 PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### 3.4. Impairment of tangible and intangible assets

The Company reviews the carrying amount of its tangible and intangible assets and Property, Plant and Equipment (including Capital Works-in -Progress) of a "Cash Generating Unit" (CGU) at the end of each reporting period 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.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit & Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

### 3.5. Inventories

Finished goods inventories are valued at cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method.





Inventory of Raw Materials, stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Stock of Work in Process has been valued at cost. Provisions are made for obsolete and non-moving inventories.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

**3.6. Revenue recognition**

Revenue arising from sale of products is recognized when the significant risks and rewards of ownership have passed to the buyer, which is at the point of transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue from services is recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Company, and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

**3.7. Foreign Exchange Transactions**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

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

**3.8. Income Taxes**

Income tax expense represents the sum of the current tax and deferred tax.

**(i) Current tax**

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

**(ii) Deferred tax**

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

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



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

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.

(iii) **Current and deferred tax expense for the year**

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**3.9. Borrowing Costs**

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**3.10. Provisions, Contingent Liabilities and Contingent Assets**

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

The amount recognised 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 a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

**3.11. Financial assets**

(i) **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) **Financial assets at amortised cost**

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

(iii) **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and





selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**(iv) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

**(v) Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**(vi) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as fair value through other comprehensive income), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

**3.12. Financial liabilities**

**a) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**b) Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in the Statement of Profit and Loss.

**3.13. Earnings per share**

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

**3.14. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.



### 3.15. Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

### 3.16. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment, useful lives of Property, Plant and Equipment, provision for income tax, measurement of deferred tax assets and contingent assets and liabilities.

## 4. NOTES TO ACCOUNTS :

### 4.1. Property, Plant and Equipment

The Company has elected to continue with the carrying value of its Property, plant and equipments.

#### Tangible Assets:

Carrying amounts of:	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Freehold land	5,221.14	5,219.16
Lease hold land	134.55	134.55
Building and factory shed	11782.92	6,715.91
Plant and Machinery	4,804.03	3,063.46
Other Auxilliary Equipment	4,010.86	3,445.02
Furniture and fixtures	578.09	438.79
Office equipment	256.33	232.72
Electrical Installation	2,498.89	1,119.02
Computer	479.88	429.64
Vehicles	2,270.76	2,204.01
Air Conditioner	178.79	165.41
Telephone EPABX	286.21	260.99
Total	32,502.46	23,428.68





Cost or deemed cost	Freehold land	Lease hold land	Building and factory shed	Plant and Machinery	Other Auxiliary Equipment	Furniture and Fixtures	Office Equipment	Electrical Installation	Computer	Vehicles	Air Conditioner	Telephone EPABX	Total
Balance at April 1, 2019	5,219.16	134.55	6,715.91	3,063.46	3,445.02	438.79	232.72	1,119.02	429.64	2,204.01	165.41	260.99	23,428.68
Additions	1.98	0.00	5067.01	1741.52	565.85	139.30	23.61	1379.87	50.24	91.27	13.38	25.22	9,098.25
Disposals/ adjustments				0.95	0.00			0.00		24.52			25.47
Balance at March 31, 2019	5,221.14	134.55	11,782.92	4,804.03	4,010.86	578.09	256.33	2,498.89	479.88	2,270.76	178.79	286.21	32,502.46

Accumulated depreciation and impairment	Freehold land	Lease hold land	Building and factory shed	Plant and Machinery	Other Auxiliary Equipment	Furniture and Fixtures	Office Equipment	Electrical Installation	Computer	Vehicles	Air Conditioner	Telephone EPABX	Total
Balance at April 1, 2018	-	12.48	2759.92	1855.35	1940.63	259.78	178.14	857.93	248.20	1590.53	115.10	182.31	10,000.37
Depreciation expense	-	2.25	399.63	265.83	320.22	52.77	28.77	120.02	39.70	175.37	26.22	40.51	1,471.29
Disposal / Adjustments	-	0.00	(5.62)	0.28	0.00	0.00	0.00	0.00	0.00	20.35	0.00	0.00	15.01
Balance at March 31, 2019	-	14.73	3,165.17	2,120.90	2,260.85	312.55	206.91	977.95	287.90	1,745.55	141.32	222.82	11,456.65

### Intangible Assets:

Carrying amounts of:	(Rs. in Lakhs)	
	As at March 31, 2019	As at April 1, 2018
Computer Softwares	290.58	273.58
<b>Total</b>	<b>290.58</b>	<b>273.58</b>

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at April 1, 2018
Computer softwares		
Opening balance (Note 8.1)	273.58	270.83
Additions during the year	17.00	2.75
Adjustments	-	-
	<b>290.58</b>	<b>273.58</b>



**Less: Accumulated Depreciation**

Opening balance	242.80	225.29
Provided for the year	17.23	17.51
Adjustment	-	-
	<u>260.03</u>	<u>242.80</u>

**4.2. Contingent Liabilities :**

Contingencies, which are likely to materialize into liabilities till the date of approval of Accounts by the Board of Directors and having material effect, are being provided for.

	As at 31.3.19 (Rs. in lakhs)	As at 31.3.18 (Rs. in lakhs)
i) Claims against the company pending appellate/ judicial decisions:		
a) Appeal pending against Entry Tax demand at the Sales Tax Tribunal	111.04	111.04
b) Appeal pending against CST demand at JCCT, Bhubaneswar Range & Tribunal Cuttack	508.87	335.27
ii) Other claims against the company not acknowledged as debts	NIL	NIL

**4.3. Segment reporting**

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The segment reporting of the company has been prepared in accordance with the provisions of Ind AS-108, "Operating Segment (specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Accounts Rules 2015. Accordingly, the Company has identified following operating segments as reportable segments:

- A. Conductors, Cables (Incl. Optic Fibre Cables), LED, Wire Rods, etc.
- B. EPC Contracts

**Information about Reportable Segment:**

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

Particulars	Gross Revenue Year ended March 31, 2019	Profit Before Tax Year ended March 31, 2019
Conductors, Cables, LED, Wire Rods, etc.	307393.96	6166.04
EPC Contracts	44152.07	1636.60
<b>Total</b>	<u>351546.03</u>	<u>7802.64</u>





#### 4.4. Related Party Disclosures

##### A. Key Management Personnel:

- Sri Bhagat Ram Gupta – Chairman
- Smt. Kiran Devi Gupta – Director
- Sri Mahendra Kumar Gupta – Managing Director
- Sri Jitendra Mohan Gupta – Director
- Sri Abhishek Gupta – Director
- Sri Praveen Agarwal – Director
- Sri Braja Sundar Nanda – Independent Director

##### B. Remuneration of key management personnel:

- Sri Bhagat Ram Gupta – Rs. 48.00 Lakhs
- Smt. Kiran Devi Gupta – Rs. 15.00 Lakhs
- Sri Mahendra Kumar Gupta – Rs. 75.00 Lakhs
- Sri Jitendra Mohan Gupta – Rs. 60.00 Lakhs
- Sri Abhishek Gupta – Rs. 60.00 Lakhs
- Sri Praveen Agarwal – Rs. 5.40 Lakhs

- 4.5. **Fair valuation of Investments in Equity Instruments:** Under the Previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under the Ind AS, investments in equity instruments of companies other than Subsidiaries, Associates & Joint Ventures are measured at fair value.
- 4.6. **Proposed Dividend:** In compliance to Ind AS requirements, no provision has been made for the dividend as the same will be recognised when declared by shareholders in the Annual general Meeting.
- 4.7. The previous year figures have been regrouped and rearranged wherever necessary.



