ISO 9001-2015 COMPANY

TRANSPARES LIMITED

# TRANSPARES LIMITED

## 23RD ANNUAL REPORT 2017-18

### Board of Directors

| Sr. No. | Name of the Director | DIN | Designation |
| --- | --- | --- | --- |
| 1 | Mr. Hitendra Doshi | 00062570 | Managing Director |
| 2 | Mrs. Karuna Mamtora | 00253549 | Director |
| 3 | Mrs. Aakanksha Mamtora | 01006590 | Director |
| 4 | Mr. Sureshchandra Agarwal | 00889931 | Director |

### Bankers

Axis Bank Ltd.
CBB Branch,
Ahmedabad

### Auditors

Sanjay Vastupal & Co.,
Chartered Accountants,
Ahmedabad

### Registered Office/ Plant

14/15, Ashwamegh Industrial Estate, Sarkhej Bavla Highway,
Changodar, Taluka- Sanand, Dist. Ahmedabad – 382 210, Gujarat
**CIN:** U31102GJ1995PLC024841

# NOTICE

**NOTICE** is hereby given that 23rd Annual General Meeting of the Members of Transpares Limited, will be held on Thursday, 27th day of September, 2018, at 11.00 a.m. at the registered office of the Company situated at 14/15, Ashwamegh Industrial Estate, Sarkhej - Bavla Highway, Changodar, Taluka - Sanand, Dist. Ahmedabad - 382 210, Gujarat to transact the following business:

**ORDINARY BUSINESS**

**Item no. 1 - Adoption of financial statements**

To consider and adopt the audited financial statement of the Company for the financial year ended on 31st March, 2018 and reports of the Board of Directors and Auditors thereon.

**Item No. 2 - Appointment of Director**

To appoint a Director in place of Mrs. Karuna Mamtora (DIN: 00253549) who retires by rotation and being eligible, offers herself for re-appointment.

**Item No. 3 - Appointment of Statutory Auditors**

To consider and if thought fit to pass with or without modification(s), the following resolution as an ***Ordinary Resolution.***

"**RESOLVED THAT** pursuant to the provisions of Section 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the appointment of Sanjay Vastupal & Co., Chartered Accountants, Ahmedabad, (Firm Registration No. 109187W) be and is hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this 23rd Annual General Meeting till the conclusion of 24th Annual General Meeting of the Company on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by the Board of Directors and the Auditor.

**RESOLVED FURTHER THAT** to give effect to above resolution, the Board of Directors of the Company be and is hereby authorised for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

**SPECIAL BUSINESS:**

**Item No. 4** **To revise the terms of remuneration of Mr. Hitendra Doshi (DIN: 00062570), Chairman and Managing Director of the Company.**

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 and subject to such consent(s), approval(s) and permission(s) as may be required in this regard from any authority and on recommendation of the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), the approval of members be and is hereby accorded to the variations in the terms and conditions of remuneration payable to Mr. Hitendra Doshi (DIN: 00062570), Chairman and Managing Director of the Company with effect from 1st April, 2018 for the remaining period of his tenure on the terms and conditions as set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to increase, alter and/or vary the remuneration and perquisites including the monetary value thereof as may be permitted or authorised in accordance with the provisions of the Companies Act, 2013, for the time being in force, provided however, that the remuneration payable to Mr. Hitendra Doshi (DIN: 00062570), Chairman and Managing Director shall be within the limits as prescribed in Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors thereof be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient to give effect to the above resolution."

**By Order of the Board of Directors**

H.M. Doshi

Hitendra Doshi
**Chairman and Managing Director**
(DIN: 00062570)

**Place:** Ahmedabad
**Date:** 31st July, 2018
**Registered Office**
14/15, Ashwamegh Industrial Estate,
Sarkhej Bavla Highway, Changodar,
Taluka- Sanand, Dist. Ahmedabad - 382 210, Gujarat
**CIN:** U31102GJ1995PLC024841

**Notes**

- An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of the business as specified above is annexed herewith

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must reach the registered office of the Company not less than 48 hours before the scheduled commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

- A map to reach at the venue of meeting is enclosed at the end of the Annual Report.

## EXPLANATORY STATEMENTS

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business the accompanying Notice.

**Item No. 2**

Mrs. Karuna Mamtora, Director, retires by rotation and being eligible offers herself for re-appointment.

**Brief resume and nature of expertise:**

Mrs. Karuna Mamtora aged 66 years; Director of the Company holds a Bachelor's degree in Arts from Gujarat University. She has been associated with the Organization from 21st October, 2006. Apart from Transpares Limited, Mrs. Karuna Mamtora is a Director of Transformers and Rectifiers (India) Limited and TARIL Infrastructure Limited.

Your Director recommends the re-appointment of Mrs. Karuna Mamtora as a Director of the Company.

Except Mrs. Karuna Mamtora, Mrs. Aakanksha Mamtora, relatives of Mrs. Karuna Mamtora, none of the other Directors, Key Managerial Personnel and their relatives are interested in this resolution.

**Item No. 3**

Sanjay Vastupal & Co., Chartered Accountants have expressed their willingness to be appointed as the statutory auditors of the Company. The Board of Directors has considered the qualifications and experience of the proposed statutory auditors and has recommended the appointment of Sanjay Vastupal & Co., Chartered Accountants, as statutory auditors. Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

**Item No. 4**

Mr. Hitendra Doshi was re-appointed as a Managing Director of the Company from 1st April, 2016 for 3 years. The Board at its meeting held on 31st July, 2018, has accorded its approval to the variations in the terms and conditions of remuneration payable to Mr. Hitendra Doshi as a Chairman and Managing Director of the Company w.e.f. 1st April, 2018 for the remaining period of his tenure, subject to the approval of the shareholders at General Meeting on the following terms and conditions.

**He will be entitled to the following remuneration per month:**

1. Salary:

**(Rs. per Month)**

| **Particular** | **Amount in Rs** |
|---|---:|
| Basic | 1,25,000 |
| Medical Allowance | 1,500 |
| HRA | 25,000 |
| LTA | 5,000 |
| Special Allowance | 43,500 |
| **Total Salary** | **2,00,000** |

2. Perquisites: In addition to the Salary, the following perquisites shall be allowed to Managing Director and the total value of perquisites shall be restricted to an amount of Rs. 5.00 Lacs p.a.

3. Commission: Apart from Salary and Perquisites, he is also entitled to 1% Commission of the Company's Net Profit for each financial year subject to the overall ceiling laid down in Section 197 of the Companies Act, 2013

**CATEGORY - "A"**

**i) Housing:**

The Company shall provide equipment and appliances, furniture, fixtures and furnishing, including maintenance of all, at the residence of Managing Director at the entire cost of the Company. The Company shall reimburse the expenses of gas, electricity, water etc. The expenditure on these, valued in accordance with the Income-tax Rules, shall not exceed 10% of the salary.

**ii) Medical Reimbursement:**

Medical Expenses actually incurred for self and family shall be reimbursed by the Company.

**iii) Leave Travel Concession:**

The Company shall provide leave travel fare for Managing Director and his family once in a year.

**iv) Personal Accident Insurance:**

The Company shall pay Personal Accident Insurance Premium upto Rs.10,000 per annum.

**v) Club Fee:**

The Company shall pay and/or reimburse Fees and Expenses (excluding admission and Life membership fees) of clubs, subject to a maximum of two clubs.

**CATEGORY - "B"**

1. The Company shall provide a Car with Driver at the entire cost of the Company for use for the business of the Company. The Company shall provide telephone including mobile phone at the residence of Managing Director at the entire cost of the Company.
2. Managing Director shall not be entitled to sitting fees for attending Meetings of the Board of Directors or Committees thereof. He shall, however, be reimbursed the actual travelling, lodging and boarding expenses incurred by him for attending Meetings of the Board of Directors and/or Committees thereof.
3. The remuneration referred to above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of Managing Director and other Executive Directors of the Company taken

together. Provided, however, that in the event of absence or inadequacy of profit, Managing Director shall be entitled to remuneration mentioned under (a) above and perquisites as above within the minimum remuneration specified in Schedule V to the Companies Act, 2013.

4. In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company.
5. Managing Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.
6. "Family" means the spouse, dependent children and dependent parents of Managing Director.
7. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

**CATEGORY - "C"**

1. The Company shall contribute towards Provident Fund/Superannuation Fund/Annuity Fund provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income-tax Act.
2. The Company shall pay Gratuity at the rate not exceeding half month's salary for each completed year of service.
3. Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed will be allowed to be encashed at the end of the term as per rules of the Company.

The perquisite under this Category shall not be included in the computation of ceiling on remuneration.

All expenditure actually and properly incurred on the Company's business shall be reimbursed to Managing Director.

The Board recommends this Ordinary Resolution for the approval of the shareholders. Except Mr. Hitendra Doshi, none of the other Directors and their relatives is interested in this resolution.

**By Order of the Board of Directors**

H.M. Doshi

Hitendra Doshi
**Chairman and Managing Director**
(DIN: 00062570)

**Place:** Ahmedabad
**Date:** 31st July, 2018
**Registered Office**
14/15, Ashwamegh Industrial Estate,
Sarkhej Bavla Highway, Changodar,
Taluka- Sanand, Dist. Ahmedabad - 382 210, Gujarat
**CIN:** U31102GJ1995PLC024841

# BOARD OF DIRECTOR'S REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 23rd Annual Report along with the Audited Accounts of the Company for the financial year ended on 31st March, 2018.

## Financial Highlights

(Rs in Lacs)

| **Particulars** | **2017-18** | **2016-17** |
|---|---|---|
| Net Revenue form Operation | 265784861 | 257150781 |
| Other Income | 1077035 | 547351 |
| **Total Revenue** | **266861896** | **257698132** |
| Cost of Raw Material Consumed | 157460200 | 140444765 |
| (Increase)/Decrease in Stock of Finished Goods and Process Stock | 5325387 | (5059454) |
| Excise Duty | (1592590) | 28982623 |
| Employee Benefit Expense | 8020505 | 9197029 |
| Finance Cost | 5970296 | 6278372 |
| Depreciation and Amortization | 6775440 | 6051333 |
| Other Expenses | 61321687 | 52222692 |
| **Total Expenses** | **243280925** | **238117360** |
| **Profit/(Loss) before tax** | **23580971** | **19580772** |
| Tax Expenses | (5404171) | (6797991) |
| **Net Profit after tax** | **18176799** | **12782782** |
| Other Comprehensive Income/(Expenses) | **259851** | **246681** |
| **Total Comprehensive Income for the year** | **18436650** | **13029463** |

## Results of Operation

During the financial year 2017-18, the Company total Revenue of Rs. 2668.62 Lacs as against Rs. 2576.98 Lacs last year. The Company posted the performance with Profit before Tax of Rs. 235.80 Lacs as against Rs. 195.80 Lacs last year. The Net Profit after Tax stood at Rs. 181.76 Lacs as against Rs. 127.82 Lacs last year.

## Dividend

Your directors considered it prudent to conserve the resources of the company to sustain future growth and as such have not recommended any dividend for the financial year 2017-18 (Previous year - Nil).

## Transfer to Reserves

Your directors have not recommended transfer to the General Reserve. An Amount of Rs. 184.36 Lacs is proposed to be retained in the Statement of Profit and Loss.

**Director**

Mrs. Karuna Mamtora (DIN: 00253549), Director of the Company who retires by rotation at the ensuing Annual General meeting and being eligible, offers herself for re-appointment, in accordance with the provisions of the Articles of Association of the company. Your Board comprises of Mr. Hitendra Doshi, Mrs. Karuna Mamtora, Mrs. Aakanksha Mamtora and Mr. Sureshchandra Agarwal as directors of the Company.

**Fixed Deposit**

The Company has neither accepted nor invited any deposit from public, falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**Particulars of Loans, Guarantees and Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

**Number of the Meetings of the Board**

Regular meetings of the Board are held at least once in a quarter inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses.

During the financial year 2017-18, the Board met Five (5) times i.e. 4th May, 2017, 3rd August, 2017, 24th November, 2017 10th January, 2018 and 5th February, 2018 .

Number of Board Meetings attended by the Directors during the year

| Sr. No. | Name of Director | Designation | No. of Meeting held/ attended |
|---|---|---|---|
| 1 | Mr. Hitendra Doshi | Managing Director | 5/5 |
| 2 | Mrs. Karuna Mamtora | Director | 5/5 |
| 3 | Mrs. Aakanksha Mamtora | Director | 5/5 |
| 4 | Mr. Sureshchandra Agarwal | Director | 5/4 |

**Sexual Harassment at Workplace**

The Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the company has complied with provisions of the same.

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Risk Management Policy**

During the year, your Directors have reviewed the risk that the organisation faces such as financial, credit, market, liquidity, security, property, legal, regulatory, reputational. Your Directors have also reviewed and sees that it manages, monitors and principal risks and the uncertainty that can impact the ability to achieve the objectives.

**Internal Financial Control Systems and Their Adequacy**

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of your company.

**Directors' Responsibility Statement**

As stipulated in Section 134(3)(c) read with sub section 5 of the Companies Act, 2013, Directors subscribe to the "Directors' Responsibility Statement", and confirm that:

1. In preparation of annual accounts for the financial year ended 31$^{st}$ March, 2018, the applicable accounting standards have been followed and that no material departures have been made from the same;

2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;

3. The Directors had 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;

4. The Directors had prepared the annual accounts for the financial year ended 31$^{st}$ March, 2018 on going concern basis; and

5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Holding Company**

Transformers and Rectifiers (India) Limited is holding 51% of Shares in the Company.

**Material Changes and Commitment affecting financial position of the Company**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the ends of financial year of the Company i.e. 31st March, 2018 and the date of Director's Report i.e. 31st July, 2018.

**Extract of Annual Return**

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at 31st March, 2018 in Form MGT-9 forms part of this Board of Director's Report as **Annexure - 1**.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo required under Section 134 (3) (m) of the Companies Act, 2013 forms part of this Board of Director's Report as **Annexure - 2**.

**Contracts or Arrangements with Related Parties**

All the related party transactions that were entered during the financial year were in the Ordinary course of business of the Company and were on arm's length basis.

There were no materially significant related party transactions entered by the Company with its Promoters, Directors or other persons which may have potential conflict with the interest of the Company.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 forms part of this Board of Director's Report as **Annexure - 3.**

**Secretarial Standards**

Secretarial Standards for the Board and General Meetings (SS-1 & SS-2) are applicable to the Company. The Company has complied with the provisions of both these Secretarial Standards

**Particulars regarding Employees**

Particulars of employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable this year, as there were no employees drawing the remuneration of Rs. 108 Lacs or more, paid in respect of persons employed throughout the financial year or to whom remuneration of Rs.6.50 lacs or more per month, paid in respect of persons employed for part of the financial year.

**Auditor**

The Statutory Auditors Sanjay Vastupal & Co. (Firm Registration No. 109187W), Chartered Accountants were appointed as Statutory Auditor of the Company from 22nd Annual General Meeting until the conclusion of 23rd Annual General Meeting and per provision of section 139 of the Companies Act, 2013. Now the same auditor has been proposed to be appointed for another one year, i.e. until the conclusion of 24th AGM, subject to approval of shareholder of the company in ensuing Annual General Meeting of the Company. Written consent of the proposed auditor together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

**Auditors' Report**

Notes forming part of the accounts are self explanatory as far as Auditor's Report is concerned and therefore, it does not require any further comments.

**Cost Record**

The provision of Cost Audit as per sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

**Acknowledgement**

The Directors extend their sincere thanks to the Bankers, Central Government and State Government Authorities, Customers, its parent Company Transformers & Rectifiers (India) Limited, Staff members and all other associated with the Company, for their co-operation, continued support and confidence reposed by them in the Company.

**By Order of the Board of Directors**

H.M. Doshi

Hitendra Doshi
**Chairman and Managing Director**
(DIN: 00062570)

**Place:** Ahmedabad
**Date:** 31st July, 2018

**Registered Office**
14/15, Ashwamegh Industrial Estate,
Sarkhej Bavla Highway, Changodar,
Taluka- Sanand, Dist. Ahmedabad - 382 210, Gujarat
**CIN:** U31102GJ1995PLC024841

## ANNEXURE - 1

## FORM MGT - 9
## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and other details:

| No. | Particulars | Details |
|---|---|---|
| 1 | CIN | U31102GJ1995PLC024841 |
| 2 | Registration Date | 2nd March, 1995 |
| 3 | Name of the Company | Transpares Limited |
| 4 | Category / Sub-Category of the Company | Public Limited Company |
| 5 | Address of the Registered office and contact details | 14/15, Ashwamegh Industrial Estate, Sarkhej - Bavla Highway, Changodar, Taluka- Sanand, Dist. Ahmedabad – 382 213, Gujarat |
| 6 | Whether listed company | No |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent, if any | N.A. |

### II. Principal Business Activities of the Company:

| Sr. No. | Name and Description of main products / services | NIC Code of the product / service | % of total turnover of the Company |
|---|---|---|---|
| 1 | Parts' of Transformer | 8504 | 100% |

### III. Particulars of Holding, Subsidiary and Associate Companies:

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Transformers and Rectifiers (India) Limited Survey No. 427 P/3-4 and 431 P/1-2, Sarkhej - Bavla Highway, Village: Moraiya, Taluka: Sanand, Ahmedabad-382213 | L33121GJ1994PLC022460 | Holding | 51% | Section 2(46) |

### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

## i) Share Holding:

| Sr. No | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % of change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | **Shareholding of Promoter and Promoter Group** | | | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | - | 9,49,032 | 9,49,032 | 49 | - | 9,49,032 | 9,49,032 | 49 | - |
| (b) | Bodies Corporate | - | 9,87,768 | 9,87,768 | 51 | - | 9,87,768 | 9,87,768 | 51 | - |
| | **Total Shareholding of Promoter and Promoter Group (A)** | - | **19,36,800** | **19,36,800** | **100** | - | **19,36,800** | **19,36,800** | **100** | - |
| (B) | **Public shareholding** | - | - | - | - | - | - | - | - | - |
| | **Total (A)+(B)** | - | **19,36,800** | **19,36,800** | **100** | - | **19,36,800** | **19,36,800** | **100** | - |
| (C) | **Shares held by Custodians for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| | **GRAND TOTAL (A)+(B)+(C)** | - | **19,36,800** | **19,36,800** | **100** | - | **19,36,800** | **19,36,800** | **100** | - |

## ii) Shareholding of Promoters

| Sr. No | Promoters' Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % 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 | Mr. Hitendra Doshi | 9,48,132 | 48.95 | - | 9,48,132 | 48.95 | - | 0.00 |
| 2 | Transformers and Rectifiers (India) Limited | 9,87,768 | 51.00 | - | 9,87,768 | 51.00 | - | 0.00 |
| 3 | Mrs. Aparna H. Doshi | 180 | 0.01 | - | 180 | 0.01 | - | 0.00 |
| 4 | Mr. Siddharth R. Doshi | 180 | 0.01 | - | 180 | 0.01 | - | 0.00 |
| 5 | Mr. Rajendra M. Doshi | 180 | 0.01 | - | 180 | 0.01 | - | 0.00 |
| 6 | Mr. Vipulkumar M. Doshi | 180 | 0.01 | - | 180 | 0.01 | - | 0.00 |
| 7 | Mr. Mukesh H. Shah | 180 | 0.01 | - | 180 | 0.01 | - | 0.00 |

## iii) Change in Promoters' Shareholding

There is no change in Shareholding of Promoters

## iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs

Not Applicable

## V. Shareholding of Directors and Key Managerial Personnel

| Sr. No | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of the total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | **Mr. Hitendra Doshi** | | | | |
| | At the beginning of the year | 948132 | 48.95 | 948132 | 48.95 |
| | Change during the year | - | - | - | - |
| | At the End of the year | 948132 | 48.95 | 948132 | 48.95 |
| 2. | **Mrs. Karuna Mamtora** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 3. | **Mr. Sureshchandra Agarwal** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 4. | **Mrs. Akanksha Mamtora** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the End of the year | - | - | - | - |

## VI. Indebtedness:

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

(in Rs.)

| Particulars | Secured Loan excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i. Principal Amount | 31333752 | - | - | 31333752 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | 8468 | - | - | 8468 |
| **Total (i+ii+iii)** | **31342220** | - | - | **31342220** |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | - | - | - |
| Reduction | 25422403 | - | - | 25422403 |
| **Net Change** | **25422403** | - | - | **25422403** |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | 5911349 | - | - | 5911349 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | 6805 | - | - | 6805 |
| **Total (i+ii+iii)** | **5918154** | - | - | **5918154** |

## VII. Remuneration of Directors and Key Managerial Personnel:

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

(In Rs.)

| Sr. No. | Particulars of Remuneration | Name of Managing Director | Total Amount |
|---|---|---|---|
| | | **Mr. Hitendra Doshi** | |
| 1. | Gross salary<br>a. Salary as per provisions contained in Section 17(1) of the Income-tax. Act, 1961 | 16,20,000 | 16,20,000 |
| | b. Value of perquisites u/s 17(2) Income-tax Act, 1961 | 5,00,000 | 5,00,000 |
| | c. Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | - | - |
| 2. | Stock option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission | - | - |
| | As 1% of profit | 1,79,000 | 1,79,000 |
| | Other, Specify | - | - |
| 5. | Other, please specify | - | - |
| | HRA | 1,80,000 | 1,80,000 |
| | Retirement Benefit | - | - |
| | **Total (A)** | **24,79,000** | **24,79,000** |
| | Ceiling as per the Act | As per Companies Act, 2013 | |

B. Remuneration to other Directors:

Not Applicable

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Not Applicable

## VIII. Penalties/Punishment/Compounding of Offences:

There were no penalties/punishments/compounding of offences for the financial year ended on 31st March, 2018

## ANNEXURE - 2

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo required under the Companies (Accounts) Rules, 2014**

**(A) Conservation of energy:**

**i) the steps taken or impact on conservation of energy for 2017-18;**

There were no major steps taken for conservation of energy during the year.

**ii) the steps taken by the Company for utilizing alternate sources of energy;**

There were no major steps taken for utilizing alternate sources of energy.

**iii) the capital investment on energy conservation equipment.**

There is no such specific investment done by the Company.

**(B) Technology absorption:**

The Company has not taken any technology in particular or entered into any technology agreement during the period. During the year, no further development is done for research.

**(C) Foreign Exchange Earnings and Outgo:**

The Company has neither earned not spend any foreign currency, during the year as well as in last year.

## ANNEXURE - 3

### Particulars of Contracts/Arrangements made with related parties

### Form AOC-2

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

*[(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)]*

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

No such transactions were entered during the financial year 2017-18.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

The contracts or arrangement or transactions entered with the related parties during the financial year 2017-18 were not material and the same were disclosed in the notes to accounts forming part of the financial statements for the year ended on 31st March, 2018.

**By Order of the Board of Directors**

H.M. Doshi

Hitendra Doshi
**Chairman and Managing Director**
(DIN: 00062570)

**Place:** Ahmedabad
**Date:** 31st July, 2018

**SANJAY VASTUPAL & Co.**
CHARTERED ACCOUNTANTS

503 / 606, Shitiratna, Panchwati Circle,
C. G. Road, Ahmedabad-380 006.
Phone : 2656 0606 / 2644 9766
E-mail : sanjayvshahca@rediffmail.com

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Transpares Limited**

## Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of TRANSPARES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("Ind AS financial statements").

## Management's Responsibility for the Ind AS Financial Statements

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

## Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

**Opinion**

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

**Other Matters**

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 4th May, 2017 and 24th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

SANJAY VASTUPAL & CO. AHMEDABAD CHARTERED ACCOUNTANTS

d. in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;

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

f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

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

    i. The Company does not have any pending litigations which would impact its financial position.

    ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

    iii. there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For Sanjay Vastupal & Co.**
**Chartered Accountants**
**Firm's Registration No. 109187W**

**Sanjay V. Shah**
**Proprietor**
**Membership No. 041827**
**Place:**
**Date:**

## ANNEXURE A TO THE DRAFT INDEPENDENT AUDITOR'S REPORT

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Transpares Limited)

i. (a) In our opinion and according to the information and explanations given to us, the Company is in the process of updating fixed assets records to show full particulars including quantitative details and situation of its fixed assets and reconciling the same with the general ledger.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of the Company are held in the name of the Company.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed during the physical verification.

iii. In our opinion and 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 and therefore, reporting under clause (iii) (a) to clause (iii) (c) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company does not have any loans, investments, guarantees, and security which are subject to provisions of section 185 and 186 of the Act. Therefore, reporting under clause (iv) of the Order 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 during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, reporting under clause (v) of the Order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, in view of Rule 3 of the Companies (Cost Records and Audit) Amendments Rules 2014 the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company and therefore, reporting under clause (vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues,

AHMEDABAD CHARTERED ACCOUNTANTS

including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues were in arrears, as at 31st March 2018 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax and value added tax which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from financial institution and government or by way of debentures.

ix. In our opinion and according to the information and explanations given to us, the Company has neither raised any term loans or by way of initial public offer or further public offer during the year nor was any unutilized amount left on this account, as at the beginning of the year, and therefore, reporting under clause (ix) of the Order is not applicable to the Company.

x. In our opinion and according to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. The Company being a private company hence the provisions of section 197 read with Schedule V relating to Managerial Remuneration are not applicable and therefore, the provisions of clause (xi) of the Order are not applicable to the Company.

xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standard.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.

AHMEDABAD
CHARTERED ACCOUNTANTS

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Sanjay Vastupal & Co.**
**Chartered Accountants**
**Firm's Registration No. 109187W**

**Sanjay V. Shah**
**Partner**
**Membership No. 041827**
**Place:**
**Date:**

SANJAY VASTUPAL & CO.
AHMEDABAD
CHARTERED ACCOUNTANTS

Transpares Limited
Balance Sheet as at 31st March, 2018

(Amount in Rs.)

| Particulars | Notes | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|---|
| **I. ASSETS** | | | | |
| **(1) Non Current Assets** | | | | |
| (a) Property, Plant and Equipment | 7 | 66,770,205 | 70,600,572 | 70,499,541 |
| (b) Financial Assets | | | | |
| (i) Investment | 8 | 2,117,500 | 2,072,543 | 1,836,413 |
| (ii) Loans | 9 | 2,055,047 | 1,937,423 | 1,641,222 |
| (c) Other Non Current Assets | 10 | 12,958,000 | 11,197,965 | 10,889,800 |
| **Total Non Current Assets** | | 83,900,752 | 85,808,503 | 84,866,976 |
| **(2) Current Assets** | | | | |
| (a) Inventories | 11 | 27,871,565 | 26,232,640 | 20,629,066 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 12 | 104,395,747 | 98,460,180 | 81,344,595 |
| (ii) Cash and Cash Equivalents | 13 | 361,279 | 212,117 | 129,512 |
| (iv) Loans | 14 | 121,166 | 187,210 | 461,555 |
| (v) Others | 15 | 150,565 | 774,717 | - |
| (c) Current Tax Assets (net) | 16 | 516,934 | 535,248 | 963,846 |
| (d) Other Current Assets | 17 | 977,530 | 2,781,647 | 1,002,701 |
| **Total Current Assets** | | 134,394,787 | 129,183,758 | 104,531,274 |
| **Total Assets** | | 218,295,539 | 214,992,261 | 189,398,250 |
| **II. EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| (a) Equity Share Capital | 18 | 19,368,000 | 19,368,000 | 19,368,000 |
| (b) Other Equity | 19 | 121,269,408 | 102,307,271 | 88,715,307 |
| **Total Equity** | | 140,637,408 | 121,675,271 | 108,083,307 |
| **Liabilities** | | | | |
| **(1) Non Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 20 | 627,935 | 858,659 | - |
| (ii) Others | | | | |
| (b) Provisions | 21 | 220,744 | 379,129 | 365,508 |
| (c) Deferred Tax Liabilities (Net) | 22 | 6,058,474 | 8,419,564 | 7,564,956 |
| **Total Non Current Liabilities** | | 6,907,153 | 9,657,351 | 7,930,464 |
| **(2) Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 23 | 5,052,691 | 30,265,222 | 25,612,819 |
| (ii) Trade Payables | 24 | 61,121,788 | 45,190,618 | 43,986,971 |
| (iii) Others | 25 | 1,284,891 | 246,605 | 399,145 |
| (b) Other Current Liabilities | 26 | 2,211,708 | 1,942,108 | 518,613 |
| (c) Short Term Provisions | 27 | 20,845 | 26,919 | 28,313 |
| (d) Current Tax Liabilities (Net) | 28 | 1,059,056 | 5,988,166 | 2,838,618 |
| **Total Current Liabilities** | | 70,750,978 | 83,659,639 | 73,384,479 |
| **Total Liabilities** | | 77,658,131 | 93,316,990 | 81,314,943 |
| **Total Equity and Liabilities** | | 218,295,539 | 214,992,261 | 189,398,250 |
| **Significant Accounting Policies and Notes to Financial Statements** | 1-50 | | | |

As per our attached report of even date.

For Sanjay Vastupal & Co.
Chartered Accountants
Firm Reg. No.: 109187W

Sanjay V. Shah
Partner
Membership No. 041827

Place : Ahmedabad
Date: 23rd May, 2018

SANJAY VASTUPAL & CO. AHMEDABAD CHARTERED ACCOUNTANTS

For and on behalf of the Board

H.M. Doshi K. J. Mamtora

Hitendra M. Doshi
Chairman & M.D.
DIN : 00062570

Karuna J. Mamtora
Director
DIN : 00253549

Place : Ahmedabad
Date: 23rd May, 2018

Transpares Limited

Profit and Loss Statement for the Quarter ended on 31st March, 2018

(Amount in Rs.)

| Particulars | Notes | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|---|
| I. Revenue from Operations (Gross) | 29 | 265,784,861 | 257,150,781 |
| II. Other Income | 30 | 1,077,035 | 547,351 |
| III. Total Revenue (I + II) | | 266,861,896 | 257,698,132 |
| IV. Expenses | | | |
| (a) Cost of Materials Consumed | 31 | 157,460,200 | 140,444,765 |
| (b) Changes in Inventories of Finished Goods and Process Stock | 32 | 5,325,387 | (5,059,454) |
| (c) Excise & Service Cost | | (1,592,590) | 28,982,623 |
| (d) Employee Benefits Expense | 33 | 8,020,505 | 9,197,029 |
| (e) Finance Cost | 34 | 5,970,296 | 6,278,372 |
| (f) Depreciation & Amortization Expense | 7 | 6,775,440 | 6,051,333 |
| (g) Other Expenses | 35 | 61,321,687 | 52,222,692 |
| Total Expenses | | 243,280,925 | 238,117,360 |
| V. Profit Before Tax (III-IV) | | 23,580,971 | 19,580,772 |
| VI. Tax Expenses: | 36 | | |
| (a) Current Tax relating to: | | | |
| - Current Year | | 6,573,198 | 6,309,515 |
| - Earlier Years | | 1,203,147 | 144,862 |
| Net Current Tax Expenses | | | |
| (a) Deferred Tax | | (2,372,174) | 343,614 |
| Net Tax Expenses | | | |
| VII. Profit for The Year (V-VI) | | 18,176,799 | 12,782,782 |
| VIII. Other Comprehensive Income (OCI) | | | |
| (a) Items that will not be reclassified to profit or loss | | | |
| (i) Re-measurement of the defined benefit plans | | 63,965 | 119,357 |
| (ii) Gains from investments in equity instruments designated at fair value through other comprehensive income | | 206,970 | 236,130 |
| Tax impact | | (11,084) | (108,806) |
| IX. Total Comprehensive Income for The Year (VII-VIII) | | 18,436,650 | 13,029,463 |
| X. Earnings Per Equity Share | | | |
| (1) Basic (Rs.) | 37 | 9.52 | 6.73 |
| (2) Diluted (Rs.) | | 9.52 | 6.73 |
| Significant Accounting Policies and Notes to Financial Statements | 1-50 | | |

As per our attached report of even date.

For Sanjay Vastupal & Co.
Chartered Accountants
Firm Reg. No.: 109187W

Sanjay V. Shah
Partner
Membership No. 041827

Place : Ahmedabad
Date: 23rd May, 2018

For and on behalf of the Board

H.M. Doshi

K.J. Mamtora

Hitendra M. Doshi
Chairman & M.D.
DIN : 00062570

Karuna J. Mamtora
Director
DIN : 00253549

Place : Ahmedabad
Date: 23rd May, 2018

**Transpares Limited**

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

| | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| | | (Rs. in Lacs) |
| **(A) Cash flow From Operating Activities** | | |
| **1. Net Profit Before Tax** | 23,580,971 | 19,580,772 |
| **2.** Adjustments for: | | |
| (a) Depreciation and Amortisation | 6,775,440 | 6,051,333 |
| (b) Finance Cost | 5,970,296 | 6,278,372 |
| (c) Interest Income | (558,633) | (390,831) |
| (d) Dividend Income | (15,000) | (115,000) |
| (e) Loss on Sales of Property, Plant and Equipment | 38,012 | 567 |
| (f) Amortisation of Guarantee Fees | 562,500 | 562,500 |
| (g) Re-measurement of the defined benefit plans debited to OCI | 63,965 | 119,357 |
| | **12,836,580** | **12,506,298** |
| **Operating Profit Before Working Capital Changes ( 1 + 2 )** | **36,417,551** | **32,087,070** |
| **3.** Adjustments for Working Capital Changes: | | |
| (i) (Increase)/ Decrease in Operating Assets | | |
| (a) Trade receivables | (5,935,568) | (17,115,585) |
| (b) Long term Loans & Advances | (117,624) | (296,201) |
| (c) Short term Loans & Advances | 66,044 | 274,345 |
| (d) Other Non Current assets | (1,760,035) | (308,165) |
| (e) Other Current assets | 1,804,117 | (1,778,947) |
| (f) Other Financial assets | 624,152 | (774,717) |
| (ii) (Increase)/ Decrease in Operating Liabilities | | |
| (a) Trade Payables | 15,931,170 | 1,203,646 |
| (b) Other Long Term Liabilities | | |
| (c) Long Term Provisions | (158,385) | 13,621 |
| (d) Other Financial Liabilities | 1,066,551 | 218,340 |
| (e) Short Term Provisions | (6,074) | (1,394) |
| (f) Other Current Liabilities | 269,600 | 1,423,495 |
| (iii) (Increase)/ Decrease in Inventories | (1,638,926) | (5,603,573) |
| Cash generated from operations | **46,562,572** | **9,341,936** |
| Less: Direct Taxes Paid (net) | 12,687,142 | 2,474,041 |
| **Net Cash from Operating Activities (A)** | **33,875,430** | **6,867,895** |
| **(B) Cash flow from Investing Activities** | | |
| (a) Purchase of fixed assets | (2,945,073) | (6,173,801) |
| (b) Sale of fixed assets | (38,012) | 20,870 |
| (c) Interest received | 558,633 | 390,831 |
| (d) Sale of current investments (Net) | 125,000 | - |
| (e) Dividend received | 15,000 | 115,000 |
| **Net Cash from Investing Activities (B)** | **(2,284,452)** | **(5,647,100)** |
| **(C) Cash flow From Financing Activities** | | |
| a) Proceeds from Long term Borrowing | (230,724) | 858,659 |
| b) Proceeds from Short term Borrowing | (25,212,531) | 4,652,403 |
| c) Finance Cost | (5,998,562) | (6,649,251) |
| **Net Cash From Financing Activities (C)** | **(31,441,816)** | **(1,138,190)** |
| **(D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)** | **149,162** | **82,605** |
| **(E) Cash & Cash Equivalents-Opening Balance** | **212,117** | **129,512** |
| **(F) Cash & Cash Equivalents-Closing Balance** | **361,279** | **212,117** |

SANJAY VASTUPAL & CO. AHMEDABAD

| | As at 31st Mar 2018 | As at 31st Mar 2017 |
|---|---|---|
| **Note :** | | |
| 1 **A) Components of Cash & Cash Equivalents :** | | |
| Cash on hand | 82,581 | 109,617 |
| Balances with Banks | | |
| In Current Accounts | 278,698 | 102,500 |
| | 361,279 | 212,117 |

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow issued by the Institute of Chartered Accountants of India.

3 The previous year's figures have been regrouped wherever necessary.

**As per our attached report of even date.**

**For Sanjay Vastupal & Co.**
**Chartered Accountants**
**Firm Reg. No.: 109187W**

SANJAY VASTUPAL & CO. AHMEDABAD CHARTERED ACCOUNTANTS

**Sanjay V. Shah**
**Partner**
**Membership No. 041827**

**Place : Ahmedabad**
**Date: 23rd May, 2018**

**For and on behalf of the Board**

H.M.Doshi

K. J. Mamtora

**Hitendra M. Doshi**
**Chairman & M.D.**
**DIN : 00062570**

**Karuna J. Mamtora**
**Director**
**DIN : 00253549**

**Place : Ahmedabad**
**Date: 23rd May, 2018**

**Transpares Limited**
**Statement of Changes in Equity for the year ended March 31, 2018**

**(A) Equity Share Capital**

(Amount in Rs.)

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2016** | 19,368,000 |
| Changes during the year | - |
| **Balance as at March 31, 2017** | 19,368,000 |
| Changes during the year - Issued during the period | - |
| **Balance as at March 31, 2018** | **19,368,000** |

**(B) Other Equity**

(Amount in Rs.)

| Particulars | Reserves and Surplus | | | FVOCI - equity Investments | Total |
|---|---|---|---|---|---|
| | General Reserve | Retained Earnings | Deemed capital contribution from holding company | | |
| **Balance as at April 1, 2016** | 7,523,275 | 80,370,629 | 345,205 | 476,198 | **88,715,307** |
| Profit for the year | - | 12,782,782 | - | - | **12,782,782** |
| Movement during the year | - | - | 562,500 | - | **562,500** |
| Other comprehensive income for the year (net of IT) | - | 88,623 | - | 158,058 | **246,681** |
| **Balance as at 31st March, 2017** | **7,523,275** | **93,242,034** | **907,705** | **634,257** | **102,307,271** |
| Profit for the year | - | 18,176,799 | - | - | **18,176,799** |
| Movement during the year | - | - | 562,500 | (37,013) | **525,488** |
| Other comprehensive income for the year (net of IT) | - | 47,494 | - | 212,357 | **259,851** |
| **Balance as at 31st March, 2018** | **7,523,275** | **111,466,327** | **1,470,205** | **809,601** | **121,269,408** |

As per our attached report of even date.

For Sanjay Vastupal & Co.
Chartered Accountants
Firm Reg. No.: 109187W

SANJAY VASTUPAL & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Sanjay V. Shah
Partner
Membership No. 041827

Place : Ahmedabad
Date: 23rd May, 2018

For and on behalf of the Board

H.M. Doshi

K.J. Mamtora

Hitendra M. Doshi
Chairman & M.D.
DIN : 00062570

Karuna J. Mamtora
Director
DIN : 00253549

Place : Ahmedabad
Date: 23rd May, 2018

## COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

**1 Corporate Information**

Transpares Ltd. ('the Company') is a closely held public limited company domiciled and incorporated in India having its registered office at 14/15 Ashwamegh Industrial Estate, Sarkhej Bawla Highway, Vill P.O. Changodhar, TA- Sanand, Ahmedabad 382210. The company is a manufacturar of Radiators.

**2 Application of New Indian Accounting Standards**

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

**3 Basis of Preparation**

**(a) Statement of Compliance**

In accordance with the notification dated 16th 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.

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) These are the Company's first Ind AS Standalone Financial Statements. The date of transition to Ind AS is April 1, 2016. The mandatory exceptions and optional exemptions availed by the Company on First time adoption have been detailed in the Note 6.

Previous period figures in the Financial Statements have been restated in compliance to Ind AS.

Up to the year ended March 31, 2017, the Company had prepared the Standalone Financial Statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles ('Previous GAAP') applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 ('Previous GAAP').

In accordance with Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2017 and April 1, 2016 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

**(b) Basis of Measurement**

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, 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 have been presented in Indian Rupees (INR), which is also the fuctional currecy. All values are rounded off to the nearest two decimal lacs, unless otherwise indicated.

**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:
(i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
(ii) 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.
(iii) 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.

**4 Significant Accounting Policies**

**(a) 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 is 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.

Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

SORAB S. ENGINEER & CO. AHMEDABAD

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 sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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

Depreciation is provided on the cost of Property, Plant and Equipment (other than land and properties under construction) less their estimated residual value, using the straight-line 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.

Useful lives of each class of PPE as prescribed under Part C of Schedule II to the Companies Act, 2013 are as under:-

| Asset Description | Assets Useful life (In Years) |
|---|---|
| Factory Building | 30 |
| Building other than Factory Building | 60 |
| Plant and Machinery | 15 |
| Electrical Installation | 10 |
| Office Equipment | 5 |
| Computers | 3 |
| Furniture and Fixtures | 10 |
| Vehicle | 8 |

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.

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

**(b) Impairment of Tangible and Intangible Assets**

The Company reviews the carrying amount of its tangible and intangible assets Property, Plant and Equipment (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) at an interval of 3 years 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.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 the Statement of Profit and Loss.

An assessment is made at an interval of 3 years to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

**(c) Inventories**

Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary.

| Inventories | Cost Formulae |
|---|---|
| Raw Material | At Weighted Average Cost (Net of eligible credit) |
| Raw Material in Transit | At Invoice Price |
| Process Stock | Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition. |
| Finished Goods | Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition. |

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**(d) 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.

Interest income from financial assets is recognised at the effective interest rate applicable on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Export incentives are accrued in the year when the right to receive credit is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

The Company accounts for insurance claims in case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable - Insurance" on intimation to insurer. In case insurance claim is less than carrying cost, the difference is charged to Standalone Statement of Profit and Loss.

As and when claims are finally received from the insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is recognised in the Statement of Profit and Loss.

**(e) Foreign Exchange Transactions**

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.

Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

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

**(f) Employees Benefits**

**(i) Short Term Employee Benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salaries, wages, bonus, performance incentives etc.

**(ii) Defined Contribution Plan**

The Company's contributions paid / payable for the year to Provident Fund are recognized based on the undiscounted amount of obligation to the Statement of profit and loss.

**(iii) Defined Benefit Plan**

Defined retirement benefit plans comprising of gratuity and leave encashment are recognized based on the present value of defined benefit obligation which is computed 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 as defined above), are recognised in other comprehensive income as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognised in the Financial Statements 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 reductions in future contributions to the plans.

**(iv) Other Long Term Employee Benefits**

Other long term employee benefit comprises of leave encashment towards un-availed leave and Compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement of leave encashment towards un-availed leave and compensated absences are recognized in the statement of profit and loss in the period in which they occur.

**(g) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

**(h) Non - Current Assets Held for Sale**

Non - Current Assets, or disposal groups classified as held for sale are measured at the lower of carring amount and fair value less cost to sell.

SANJAY VASTUPAL & CO. AHMEDABAD

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. 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 as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

**(i) 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 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

**(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.

**(j) Financial Instruments**

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

**(k) Equity Instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**(l) Financial Assets - Classification and Measurement**

**(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 and having original maturities of three months or less from the date of purchase, 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. The company has Earnst money Deposits and Security Deposits recognised at Amortised Cost.

**(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.

**(iv) Financial Assets at Fair Value through Profit and 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.

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(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 FVTOCI), 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.

(m) **Financial Liabilities - Classifiation and Measurement**
Financial Liabilities are measured at amortised cost or Fair Value through Profit and Loss Account (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivate or it is designated as on intial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest Expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in the profit and loss. Fees paid on the establishment of Loan facilities are recogised as transaction cost of the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

(ii) **Derecognition of Financial Liabilities**
The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit and loss account.

(n) **Earnings Per Share**
Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(o) **Provisions, Contingent Liabilities and Contingent Assets**
(i) **Provisions**
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).

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

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

(iii) **Onerous Contracts**
A contract is considered to be onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting it's obligation under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

5 **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.

(a) **Judgements**
The following are the critical judgements, apart from those involving estimations (Refer note 5(b)), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(i) **Determination of Functional Currency**
Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (`) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (`).

SANJAY VASTUPAL & ASSOCIATES AHMEDABAD CHARTERED ACCOUNTANTS

**(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

**(b) Assumptions and Estimation Uncertainities**

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

**(i)Defined Benefit Obligations**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**(c) Estimates**

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognised prospectively.

**6 First-Time Adoption – Mandatory Exceptions and Optional Exemptions**

**(a) Overall Principal**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

**(b) Deemed Cost of Property, Plant and Equipment and Intangible Assets**

The Company has elected to continue with the carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(c) Derecognition of Financial Assets and Financial Liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

**(d) Classification and Measurement of Financial Assets**

The Company has determined the classification and measurement of financial asset in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as on the transition date.

**(e) 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 recognised 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.

SANJAY VASTUPAL & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Transpares Limited
Notes to the financial statements

7. Property, Plant and Equipments

| Particulars /Assets | Tangible Assets | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Building | Plant & Equipments | Electric Installations | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Total |
| GROSS BLOCK | | | | | | | | | |
| At 1st April 2016 | 790,084 | 32,943,968 | 31,578,233 | 3,499,886 | 483,721 | 771,102 | 271,111 | 161,437 | 70,499,541 |
| Additions | | 1,186,239 | 2,737,815 | 221,000 | | 1,878,361 | 16,900 | 133,486 | 6,173,801 |
| Deduction/Adjustments | | | | | | 101,222 | | | 101,222 |
| At 31st March 2017 | 790,084 | 34,130,207 | 34,316,048 | 3,720,886 | 483,721 | 2,548,241 | 288,011 | 294,923 | 76,572,120 |
| **Additions** | | 340,200 | 2,579,928 | | | | | 24,945 | 2,945,073 |
| **Deduction/Adjustments** | | | | | | | | | - |
| **At 31st March 2018** | **790,084.00** | **34,470,406.56** | **36,895,975.76** | **3,720,885.85** | **483,721.12** | **2,548,240.82** | **288,011.40** | **319,867.82** | **79,517,193** |
| | | | | | | | | | |
| ACCUMULATED DEPRECIATION | | | | | | | | | |
| At 1st April 2016 | - | - | - | - | - | - | - | - | - |
| Charge for the year | - | 1,459,131 | 3,017,472 | 651,624 | 169,645 | 544,481 | 79,238 | 129,742 | 6,051,333 |
| Deduction/Adjustments | - | - | - | - | - | 79,785 | - | - | 79,785 |
| At 31st March 2017 | - | 1,459,131 | 3,017,472 | 651,624 | | 464,696 | 79,238 | 129,742 | 5,971,548 |
| **Charge for the year** | | 1,331,400 | 4,124,971 | 563,009 | 122,040 | 428,514 | 32,374 | 173,132 | 6,775,440 |
| **Deduction/Adjustments** | | | | | | | | | - |
| **At 31st March 2018** | - | **2,790,531.00** | **7,142,443.00** | **1,214,633.00** | | **893,210.00** | **111,612.00** | **302,874.00** | **12,746,988** |
| | | | | | | | | | |
| Net Block | | | | | | | | | |
| At 1st April, 2016 | 790,084 | 32,943,968 | 31,578,233 | 3,499,886 | | 771,102 | 271,111 | 161,437 | 70,499,541 |
| At 31st March, 2017 | 790,084 | 32,671,076 | 31,298,576 | 3,069,262 | | 2,083,545 | 208,773 | 165,181 | 70,600,572 |
| **At 31st March, 2018** | **790,084** | **31,679,876** | **29,753,533** | **2,506,253** | | **1,655,031** | **176,399** | **16,994** | **66,770,205** |

7(a) The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

Transpares Limited

Notes to Financial Statements for the Quarter ended on 31st March, 2018

(Amount in Rs.)

| 8. Investments | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| **Investments in Unquoted Equity Instruments (at Fair Value Through Other Comprehensive Income)** | | | |
| The Bhagyodaya Co-operative Bank Ltd. - 0 (31 March 2017: 1,250 , 1 April 2016: 1,250) shares of Rs.100 each fully paid up | - | 162,013 | 162,013 |
| **Investment in Mutual Funds (at Fair Value Through Other Comprehensive Income)** | | | |
| SBI Blue Chip Fund - 100,000 (31 March 2017: 1,00,000 , 1 April 2016: 1,00,000) units of face value Rs.10/- each, fully paid up | 2,117,500 | 1,910,530 | 1,674,400 |
| **Total** | 2,117,500 | 2,072,543 | 1,836,413 |
| Aggregate carrying value of unquoted investments | - | 162,013 | 162,013 |
| Aggregate market value of quoted investments | 2,117,500 | 1,910,530 | 1,674,400 |

(Amount in Rs.)

| 9. Loans | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| **Long term Loans & Advances** | | | |
| **Unsecured , Considered Good** | | | |
| Electricity & Other Deposits | 1,884,462 | 1,791,222 | 1,641,222 |
| Loan to employees | 170,585 | 146,201 | - |
| **Total** | 2,055,047 | 1,937,423 | 1,641,222 |

(Amount in Rs.)

| 10. Other Non-Current Assets | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| **Unsecured , Considered Good** | | | |
| Advances Given for Capital Goods | 12,958,000 | 11,197,965 | 10,889,800 |
| **Total** | 12,958,000 | 11,197,965 | 10,889,800 |

(Amount in Rs.)

| 11. Inventories | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Raw materials | 14,977,734 | 8,013,422 | 7,469,302 |
| Finished goods | 10,319,052 | 12,472,477 | 8,341,818 |
| Work in Progress | 2,574,779 | 5,746,741 | 4,817,946 |
| **Total** | 27,871,565 | 26,232,640 | 20,629,066 |

(Amount in Rs.)

| 12. Trade Receivables | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Unsecured, considered good | 104,395,747 | 96,593,232 | 81,008,113 |
| Doubtful | - | 1,866,948 | 336,482 |
| **Total** | 104,395,747 | 98,460,180 | 81,344,595 |

(Amount in Rs.)

| 13. Cash & Cash Equivalents | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Balances with banks | 278,698 | 102,500 | 101,721 |
| Cash On Hand | 82,581 | 109,617 | 27,791 |
| **Total** | 361,279 | 212,117 | 129,512 |

(Amount in Rs.)

| 14. Loans | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| **Unsecured, Considered Good** | | | |
| Loans to Employees | 121,166 | 187,210 | 461,555 |
| **Total** | 121,166 | 187,210 | 461,555 |

(Amount in Rs.)

| 15. Other Financial Assets | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| **Unsecured, Considered Good** | | | |
| Other Receivables | 150,565 | 774,717 | - |
| **Total** | 150,565 | 774,717 | - |

(Amount in Rs.)

| 16. Current Tax Assets (Net) | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| **Current Tax Assets** | | | |
| Advance Tax Paid | 516,934 | 535,248 | 963,846 |

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| | | | |
|---|---|---|---|
| Total | 516,934 | 535,248 | 963,846 |

(Amount in Rs.)

| 17. Other Current Assets | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Deposits and balances with government and other authorities | 23,524 | 1,336,805 | 369,549 |
| Prepayments - Guarantee Payments | 345,205 | 345,205 | 345,205 |
| Prepaid Expenses | 138,068 | 36,252 | 113,063 |
| Advances to Suppliers | 330,768 | 930,504 | 43,828 |
| Advance for Gratuity Fund | 139,965 | 132,881 | 131,056 |
| Total | 977,530 | 2,781,647 | 1,002,701 |

(Amount in Rs.)

| 18. Equity Share Capital | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Authorised Shares<br>20,00,000 (31st March 2017 20,00,000, 1st April 2016 20,00,000) Equity Shares of Rs. 10/- each | 20,000,000 | 20,000,000 | 20,000,000 |
| Issued, Subscribed and Paid Up<br>1,936,800 (31st March 2017 19,36,800, 1st April 2016 19,36,800) Equity Shares of Rs. 10/- each fully paid up | 19,368,000 | 19,368,000 | 19,368,000 |
| Total | 19,368,000 | 19,368,000 | 19,368,000 |

18(a) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period :

| Particulars | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| At the Beginning of the Period | 1,936,800 | 1,936,800 | 1,936,800 |
| Issued during the period | | | |
| Outstanding at the end of Period (Refer Note) | 1,936,800 | 1,936,800 | 1,936,800 |

18(b) Details of Shareholders holding more than 5 % of equity Shares:

| Particulars | | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|---|
| Hitendra M Doshi | Nos. | 948,132 | 948,132 | 948,132 |
| | % Holding | 49% | 49% | 49% |
| Transformers & Rectifiers (I) Ltd. | Nos. | 987,768 | 987,768 | 987,768 |
| | % Holding | 51% | 51% | 51% |

18(c) Rights of Equity Shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(Amount in Rs.)

| 19 Other Equity | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Deemed capital contribution from holding company | 1,470,205 | 907,705 | 345,205 |
| General Reserve | 7,523,275 | 7,523,275 | 7,523,275 |
| Retained Earnings | 111,466,327 | 93,242,034 | 80,370,629 |
| Other Comprehensive Income - Fair value of equity investments | 809,601 | 634,257 | 476,198 |
| Total | 121,269,408 | 102,307,271 | 88,715,307 |

(Amount in Rs.)

| 19 (a). Other Equity | As at 31st Mar 2018 | As at 31st Mar 2017 |
|---|---|---|
| **A. Deemed capital contribution from holding company** | 1,470,205 | 907,705 |
| **B. Reserves & Surplus** | | |
| General Reserve | | |
| Balance as per last year | 7,523,275 | 7,523,275 |
| | 7,523,275 | 7,523,275 |
| **Surplus/(Deficit) in Profit and Loss Statement** | | |
| Opening Balance | 93,242,034 | 80,370,629 |
| Profit for the year | 18,176,799 | 12,782,782 |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | 47,494 | 88,623 |
| **Net surplus in profit and loss statement** | 111,466,327 | 93,242,034 |
| **Equity instrument measured at fair value through other comprehensive income** | | |
| Opening Balance | 634,257 | 476,198 |
| Add: During the year | 175,344 | 158,058 |
| | 809,601 | 634,257 |
| Total | 121,269,408 | 102,307,271 |

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19(b) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

(Amount in Rs.)

| 20. Borrowing | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Long Term Borrowings | | | |
| Term Loan from Bank | 627,935 | 858,659 | - |
| | 627,935 | 858,659 | - |

20(a) Term Loans consist of the following:

| Term Loans | Year Ended | Current Maturities of each Loan (Rs.) | Amount of Each Loan Outstanding (Rs.) |
|---|---|---|---|
| From Banks | | | |
| ICICI Bank Vehicle Loan | | | |
| (Secured against hypothecation of the car) | 31/03/2018 | 230,724 | 858,658 |
| | 31/03/2017 | 209,869 | 1,068,530 |
| | 01/04/2016 | - | - |

20(b) The terms of repayment of the above loans are as follows:

| Term Loans | | No. of Instalments Due after the Balance | Amount of each Instalment (Rs.) |
|---|---|---|---|
| (b) From Banks | | | |
| ICICI Bank Vehicle Loan | | | |
| Date Of Maturity: 1st July, 2021 | 31/03/2018 | 40 | 25,208 |
| Rate of interest - 9.5%. Instalment amount is inclusive of | 31/03/2017 | 52 | 25,208 |
| interest.) | 01/04/2016 | - | - |

(Amount in Rs.)

| 21. Provisions | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Provision for Employee Benefits | | | |
| Leave Encashment | 220,744 | 379,129 | 365,508 |
| Total | 220,744 | 379,129 | 365,508 |

(Amount in Rs.)

| 22. Deferred Tax Liabilities (Net) | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Deferred Taxes | | | |
| Deferred Tax Liability | | | |
| Difference between Fair value of investment | 307,899 | 313,286 | 235,214 |
| Difference between book and tax depreciation | 5,702,188 | 8,109,060 | 7,946,924 |
| Total (A) | 6,010,088 | 8,422,346 | 8,182,139 |
| Deferred Tax Assets | | | |
| Disallowance under Income Tax Act,1961 | (48,387) | 2,782 | 214,993 |
| MAT Credit Entitlement | - | - | 402,190 |
| Total (B) | (48,387) | 2,782 | 617,183 |
| Total (A-B) | 6,058,474 | 8,419,564 | 7,564,956 |

(Amount in Rs.)

| 2017-18 | Opening Balance | Recognise in Profit or Loss | Recognise in OCI | Closing Balance |
|---|---|---|---|---|
| Deferred tax (liabilities)/assets in relation to: | | | | |
| Deferred Tax Liabilities | | | | |
| Property, plant and equipment | | | - | |
| Others-Depreciation difference | 8,109,060 | (2,417,956) | - | 5,691,104 |
| Difference between Fair value of investment | 313,286 | (5,387) | | 307,899 |
| Defined benefit obligation | | | 11,084 | 11,084 |
| Total Deferred Tax Liabilities | 8,422,346 | (2,423,343) | 11,084 | 6,010,087 |
| Deferred Tax Assets | | | | |
| Impairment/Expenses Disallowed Under Income Tax | 2,782 | (51,169) | - | (48,387) |
| Total Deferred Tax Assets | 2,782 | (51,169) | - | (48,387) |
| Deferred Tax Liabilities (Net) | 8,419,564 | (2,372,173) | 11,084 | 6,058,474 |

(Amount in Rs.)

| 2016-17 | Opening Balance | Recognise in Profit or Loss | Recognise in OCI | Closing Balance |
|---|---|---|---|---|
| Deferred tax liabilities/(assets) in relation to: | | | | |
| Deferred Tax Liabilities | | | | |
| Property, plant and equipment | - | | | |
| Others-Depreciation difference | 7,946,924 | 53,330 | - | 8,000,254 |
| Difference between Fair value of investment | 235,214 | 78,072 | - | 313,286 |
| Defined benefit obligation | - | - | 108,806 | 108,806 |
| Total Deferred Tax Liabilities | 8,182,139 | 131,402 | 108,806 | 8,422,346 |

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| | | | | |
|---|---|---|---|---|
| **Deferred Tax Assets** | | | | |
| Impairment/Expenses Disallowed Under Income Tax | 214,993 | (212,211) | - | 2,782 |
| MAT Credit | 402,190 | (402,190) | - | - |
| **Total Deferred Tax Assets** | 617,183 | (614,401) | - | 2,782 |
| **Deferred Tax Liabilities (Net)** | 7,564,956 | 745,803 | 108,806 | 8,419,564 |

(Amount in Rs.)

| 23. Borrowings | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| **Secured Loans** | | | |
| Cash Credit & Short Term Loan From Bank | 5,052,691 | 30,265,222 | 25,612,819 |
| Total | 5,052,691 | 30,265,222 | 25,612,819 |

Security : Secured Loans comprise of cash credit from banks which are secured by hypothecation of current assets of the Company on paripassu basis and collaterally secured by residual value of net fixed assets of the Company and also collateral legal mortgage on paripassu basis on immovable properties situated at Changodar. It is further secured by Corporate Guarantee of Transformers and Rectifiers India Ltd.

(Amount in Rs.)

| 24. Trade Payables | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Sundry Creditors | 61,121,788 | 45,190,618 | 43,986,971 |
| Total | 61,121,788 | 45,190,618 | 43,986,971 |

Note :The Company is in process of compelling relevant information from its suppliers about their coverage under the " Micro, Small and Medium Enterprise Development Act, 2006" Since the relevant information from vendors is still not available, no disclosure have been made in the accounts, In the view of management, the impact of interest, that may be payable in accordance with the provisions of the Act is not expected to be material.

(Amount in Rs.)

| 25 Other Financial Liabilities | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Term Loan instalments due with in 12 Months | 230,724 | 209,872 | - |
| Interest accrued and not due | 6,805 | 8,468 | - |
| Interest accrued and due | - | 28,265 | 399,145 |
| Others | 1,047,362 | - | - |
| Total | 1,284,891 | 246,605 | 399,145 |

(Amount in Rs.)

| 26. Other Current Liabilities | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Advance From Customers | 656,450 | 656,450 | |
| Other Liabilities | 1,555,258 | 1,285,658 | 518,613 |
| Total | 2,211,708 | 1,942,108 | 518,613 |

(Amount in Rs.)

| 27. Provisions | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Provision for Leave Encashment | 20,845 | 26,919 | 28,313 |
| Total | 20,845 | 26,919 | 28,313 |

(Amount in Rs.)

| 28. Current Tax Liabilities (net) | As at 31st Mar 2018 | As at 31st Mar 2017 | As at 1st Apr 2016 |
|---|---|---|---|
| Current Tax Liabilities | | | |
| Provision for Income Tax | 1,059,056 | 5,988,166 | 2,838,618 |
| Total | 1,059,056 | 5,988,166 | 2,838,618 |

(Amount in Rs.)

| 29. Revenue from Operations | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Sale of Goods (Gross) | 265,330,296 | 256,864,801 |
| Service Income (Gross) | - | 65,600 |
| Other Operating Income | 454,565 | 220,380 |
| Total | 265,784,861 | 257,150,781 |

(Amount in Rs.)

| 30. Other Income | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Interest Income | 175,495 | 301,341 |
| Foreign Exchange Gain/(Loss) (Net) | 383,138 | 89,490 |
| Other non-operating Income | | |
| Dividend income on Non Trade Investment | 15,000 | 115,000 |
| Other Income | 40,008 | 41,520 |
| Duty Drawback Income | 463,394 | - |
| Total | 1,077,035 | 547,351 |

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(Amount in Rs.)

| 31. Cost of Materials Consumed | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Opening Stock | 8,013,422 | 7,469,302 |
| Add : Purchases | 164,424,512 | 140,988,885 |
| Less : Closing Stock | 14,977,734 | 8,013,422 |
| Cost of Materials Consumed | 157,460,200 | 140,444,765 |

(Amount in Rs.)

| 32. (Increase)/Decrease in Inventories of Finished Goods and Process Stock | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Closing Inventories | | |
| Finished Goods | 10,319,052 | 12,472,477 |
| Process Stock | 2,574,779 | 5,746,741 |
| | 12,893,831 | 18,219,218 |
| Less : Opening Inventories | | |
| Finished Goods | 12,472,477 | 8,341,818 |
| Process Stock | 5,746,741 | 4,817,946 |
| | 18,219,218 | 13,159,764 |
| (Increase)/ Decrease in Inventories | 5,325,387 | (5,059,454) |

(Amount in Rs.)

| 33. Employee Benefits Expense | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Employee benefits expenses | | |
| Salaries, Wages, Bonus & Others etc. | 7,675,885 | 8,562,015 |
| Contribution to Provident and other funds | 344,620 | 633,014 |
| Employee welfare expenses | - | 2,000 |
| Total | 8,020,505 | 9,197,029 |

(Amount in Rs.)

| 34. Finance Costs | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Interest to Banks | 2,012,119 | 2,724,898 |
| Interest to others | 2,215 | 158,809 |
| Other Finance Cost | 3,955,962 | 3,394,665 |
| Total | 5,970,296 | 6,278,372 |

(Amount in Rs.)

| 35. Other Expenses | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Stores & Spares Consumed | 8,488,255 | 6,119,352 |
| Power & Fuel | 29,314,576 | 28,045,180 |
| Labour Charges | 147,324 | 112,241 |
| Testing & Calibration charges | 2,768,938 | - |
| Rejection Deduction | 3,882,300 | 3,670,736 |
| Miscellaneous Mfg Expenses | 108,450 | 674,007 |
| Repairs to Buildings | 3,214,117 | 2,483,914 |
| Repairs to Plant & Machinery | 100,000 | 125,000 |
| Audit Fees | 40,881 | 104,373 |
| Selling Expenses | 497,689 | 833,314 |
| Professional Charges | 144,162 | 97,746 |
| Insurance Premium | - | 567 |
| Loss on Sale of Fixed Assets | 2,375 | 16,151 |
| Rates and taxes | 102,467 | 189,448 |
| Repairs and Maintenance Others | 7,443,826 | 6,954,592 |
| Freight & Forwarding Charges | 231,032 | 337,183 |
| Bank charges | 733,900 | 814,542 |
| Travelling Expenses & Conveyance | 10,000 | 10,000 |
| Advertisement Expenses | 188,812 | 227,839 |
| Stationary, Printing, Postage and Telephone Expenses | 35,000 | 51,725 |
| Membership & Subscription Fees | 1,427,044 | 3,766 |
| Sundry Balance written off | - | 141,925 |
| Sales Tax Expense | 587,411 | 146,663 |
| Cenvat Duty Expense | 230,715 | 100,685 |
| After Sales/Replacement Expenses | 562,500 | 562,500 |
| Amortisation of Financial Guarantee Fees | 1,059,912 | 399,244 |
| General charges | | |
| Total | 61,321,687 | 52,222,692 |

35(a) Payment to Auditors comprises (net of service tax input credit, wherever applicable):

(Amount in Rs.)

| Particulars | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| As auditors - statutory audit | 100,000 | 100,000 |
| For tax audit | - | 25,000 |
| Total | 100,000 | 125,000 |

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36 Tax Expenses

(Amount in Rs.)

| Particulars | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Current tax in relation to: | | |
| - Current years | 6,573,198 | 6,309,515 |
| - Earlier years | 1,203,147 | 144,862 |
| Deferred Tax | | |
| In respect of current year | (2,372,174) | 343,614 |
| Total income tax expense recognised in the current year | 5,404,172 | 6,797,991 |

36(a) The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in Rs.)

| Particulars | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Profit before tax | 23,580,971 | 19,580,772 |
| Income tax expense calculated at 27.5525% (2016-2017: 33.063%) | 6,497,147 | - |
| Tax effects of amounts which are not deductible/(taxable) in calculating taxable income | | |
| Expenses not allowed in Income Tax | - | - |
| Opening Deferred tax not recognised | - | 283,488 |
| Change in tax rate | 206,616 | - |
| Other | (1,299,591) | 36,056 |
| Total | 5,404,172 | 319,544 |

37 Earning Per Share

| Particulars | Year Ended on 31st Mar 2018 | Year Ended on 31st Mar 2017 |
|---|---|---|
| Profit after tax for the year attributable to equity shareholders | 18,436,650 | 13,029,463 |
| Weighted Average Number of Equity Shares* ( Nos.) | 1,936,800 | 1,936,800 |
| Basic EPS (Rs.) | 9.52 | 6.73 |
| Diluted EPS (Rs.) | 9.52 | 6.73 |
| Nominal Value Per Share (Rs.) | 10 | 10 |

38 Contingent Liabilities and Commitments

(a) Contingent Liabilities

There is no contingent liability of the firm/company not provided for as at 31st March, 2018 (PY Rs. Nil)

(b) Commitments

(b)(i) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 13 Lakhs (Previous years: 31st March, 2017 - Rs. 18.69 Lakhs, 1st April, 2016 - Rs. 18.69 Lakhs).

39 Employee Benefit Plans

In accordance with the stipulations of the Indian Accounting Standard 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

(a) Defined Contribution Plan

The Company has recognized an amount of Rs 3,37,157 (P.Y. Rs. 4,34,852) as expenses under the defined contribution plan in the Statement of Profit and Loss.

(b) Defined Benefit Plan

Gratuity

General description and benefits of the plan

15 days salary for each completed year of service. Vesting period is 5 years and the payment is at actual on superannuation, resignation, termination, disablement or on death. The liability for gratuity as above is recognised on the basis of actuarial valuation.

The Company makes contribution to Life Insurance Corporation (LIC) for gratuity benefits according to the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at 31st March 2018 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Scheme is funded through LIC.

Major Risks to the Plan

(i) Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(ii) Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in

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(iii) **Liquidity Risk**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

(iv) **Legislative Risk**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have

(v) **Market Risk**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption

The following table sets out the status of the gratuity and the amounts recognized in the Company's financial statements as at 31st March, 2018.
The principal assumptions used for the purposes of the actuarial valuations were as follows.

| Actuarial Assumptions | As At 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Discount Rate | 7.20 | 6.80 |
| Expected rate of return on plan assets | - | - |
| Salary Growth Rate | 6 | 6 |
| Mortality | Indian Assured Lives Mortality (2006-08) Table | Indian Assured Lives Mortality (2006-08) Table |
| Withdrawal Rates | 10% at younger ages and reducing to 2% at older ages | 10% at younger ages and reducing to 2% at older ages |

| Sr.No. | Particulars | Gratuity (Funded) | |
|---|---|---|---|
| | | 2017-18 | 2016-17 |
| (i) | **Present Value Obligation** | | |
| | Present Value of funded Obligation | 983,770 | 1,102,244 |
| | Fair Value of Plan Assets | 1,123,735 | 1,235,125 |
| | **Net Liability (Asset)** | (139,965) | (132,881) |
| (ii) | **Expenses recognised during the year** | | |
| | Current Service Cost | 126,611 | 140,293 |
| | Past Service Cost and loss/(gain) on curtailments and settlement | | |
| | Net Interest Cost | (13,340) | (15,795) |
| | **Total included in 'Employee Benefit Cost'** | 113,271 | 124,498 |
| | Expenses Deducted from the Fund | | - |
| | **Total Charge to P&L** | 113,271 | 124,498 |
| (iii) | **Amount recognised in Other Comprehensive Income** | | |
| | Components of actuarial gain/ losses on obligations: | | |
| | Due to change in financial assumptions | (12,415) | 46,427 |
| | Due to change in demographic assumptions | | - |
| | Due to experience adjustments | (42,944) | (184,763) |
| | Return on plan assets excluding amounts included in interest income | (8,606) | 18,979 |
| | **Amounts recognized in Other Comprehensive Income** | (63,965) | (119,357) |
| (iv) | **Reconciliation of Defined Benefit Obligation** | | |
| | Opening Defined Benefit Obligation | 1,102,244 | 1,210,367 |
| | Current Service Cost | 126,611 | 140,293 |
| | Interest Cost | 52,549 | 92,671 |
| | Actuarial loss/ (gain) due to change in financial assumptions | (12,415) | 46,427 |
| | Actuarial loss/ (gain) due to experience adjustments | (42,944) | (184,763) |
| | Benefits Paid | (242,275) | (202,751) |
| | **Closing Defined Benefit Obligation** | 983,770 | 1,102,244 |
| (v) | **Reconciliation of Plan Assets** | | |
| | Opening Value of plan assets | 1,235,125 | 1,341,423 |
| | Interest Income | 65,889 | 108,466 |
| | Return on plan assets excluding amounts included in interest income | 8,606 | (18,979) |
| | Contributions by employer | 56,390 | 6,966 |
| | Benefits Paid | (242,275) | (202,751) |
| | **Closing Value of Plan Assets** | 1,123,735 | 1,235,125 |
| | The Return of the assets (net of expenses) is Rs. 6.14 Lacs | | |
| (vi) | **Reconciliation of net defined benefit liability** | | |
| | Net opening provision in books of accounts | (132,881) | (131,056) |
| | Employee Benefit Expense | 113,271 | 124,498 |
| | Amounts recognized in Other Comprehensive Income | (63,965) | (119,357) |
| | | (83,575) | (125,915) |
| | Benefits paid by the Company | - | - |
| | Contributions to plan assets | (56,390) | (6,966) |
| | **Closing Provision in books of accounts** | (139,965) | (132,881) |
| (viii) | **Composition of the Plan Assets** | | |
| | Policy of Insurance | 100% | 100% |
| | Total | 100% | 100% |
| (ix) | **Bifurcation of Liability as per Schedule III** | | |
| | Current Liability* | (139,965) | (132,881) |
| | Non - Current Liability* | - | - |
| | **Net Liability** | (139,965) | (132,881) |

* The current liability is calculated as expected contributions for the next 12 months

(x) **Maturity Profile of Defined Benefit Obligation - Gratuity Liability**

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Less Than One Year | 712,023 | 658,936 |
| One to Three Years | 36,638 | 52,132 |
| Three to Five Years | 41,102 | 56,947 |
| More than Five Years | 87,288 | 367,414 |

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The future accrual is not considered in arriving at the cash - flows.

(c) Sensitivity Analysis

(Amount in Rs.)

| Particulars | March 31, 2018 Defined Benefit Obligation | March 31, 2017 Defined Benefit Obligation |
|---|---|---|
| Discount Rate Varied by 0.5% | | |
| - Impact due to increase of 50 basis points | 969,216 | 1,079,467 |
| - Impact due to decrease of 50 basis points | 999,401 | 1,126,338 |
| Salary Growth Rate Varied by 0.5% | | |
| - Impact due to increase of 50 basis points | 999,507 | 1,125,005 |
| - Impact due to decrease of 50 basis points | 968,989 | 1,080,590 |
| Withdrawal Rate (W.R) Varied by 10% | | |
| W.R x 110% | 984,189 | 1,102,230 |
| W.R x 90% | 983,280 | 1,102,218 |

Sensitivity analysis is performed by varying a single parameter while keeping all other parameters unchanged.
Sensitivity analysis is failed to focus on interrelationship between underlying parameters. Hence the results may vary if two or more variables are changed simultaneously.
The method used does not indicate anything about likelihood od change in any parameters and the extent of the change if any

40 Operating Segment
The Company's operations fall under single segment namely "Radiators", taking into account the risks and returns, the organization structure and the internal reporting systems.

All assets are located in the company's country of domicile.

Segment revenue from "Radiators" represents 90% revenue generated from customers which is fully attributable to the company's country of domicile i.e. India.

| Particulars | Year Ended on 31st march 2018 | Year Ended on 31st march 2017 |
|---|---|---|
| Revenue from | | |
| - Outside India | 13,526,875 | 9,169,605 |
| - In India | 251,803,421 | 219,128,658 |

Company's 63% revenues are derived from 2 Major Clients and the total revenue from such entities amounted to Rs. 1,693 Lakhs in 2017-18 and Rs. 1,407 lakhs in 2016-17.

41 In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31st March, 2018.

42 Related Party Disclosures
(a) List of Related Parties

| Name of related Parties |
|---|
| 1. Holding Company |
| Transformers & Rectifiers (India) Limited |
| 2. Fellow Subsidiary Company |
| Transweld Mechanical Engineering Works Ltd. |
| Savas Engineering Company Pvt. Ltd. |
| 3. Key Management Personnel |
| Mr. Hitendra M. Doshi |
| Mr. Aakansha S. Mamtora |
| Mrs. Karuna J. Mamtora |
| Mr. Sureshchandra R. Agarwal |
| 4. Enterprise over which Key Managerial Personnel is able to exercise significant Influence |
| Benchmark HR Solutions (India) LLP |
| Skytrek Tours & Travels |

(b) Transactions with Related Parties

(Amount in Rs.)

| Name of Related Party | Nature of Relationship | 2017-18 | 2016-17 |
|---|---|---|---|
| Purchase of Capital Goods | Fellow Subsidiary | | |
| Savas Engineering Company Pvt. Ltd. | | - | 901,427 |
| Purchase of Services | Enterprises over which Key Managerial Personnel is able to exercise Significant Influence | | |
| Benchmark HR Solutions (India) LLP. | | 35,537 | 55,217 |
| Skytrek Tours & Travels | | 90,102 | 96,686 |
| Purchase of Services | Fellow Subsidiary | | |
| Transweld Mechanical Engineering Works Ltd. | | 17,651 | 14,989 |
| Services Rendered | Holding Company | | |
| Transformers & Rectifiers (India) Limited | | 36,000 | 36,000 |
| Sale of Goods | Holding Company | | |
| Transformers & Rectifiers (India) Limited | | 158,074,388 | 138,476,376 |
| Sale of Goods | Fellow Subsidiary | | |
| Transweld Mechanical Engineering Works Ltd. | | - | 6,734 |
| Savas Engineering Company Pvt. Ltd. | | | 426 |

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| | | | |
|---|---|---|---|
| **Managerial Remuneration*** | **Key Managerial Personnel** | | |
| Mr. Hitendra M. Doshi<br>*The Key Management Personnel are entitled to other benefits also as per the company policy | | 1,897,453 | 1,631,582 |
| **Balance Due to be Paid - End of the Year** | **Fellow Subsidiary** | | |
| Transweld Mechanical Engineering Works Ltd. | | 9,204 | - |
| Savas Engineering Company Pvt. Ltd. | | - | 901,002 |
| **Balance Due to be Paid - End of the Year** | **Enterprises over which Key Managerial Personnel is able to exercise Significant Influence** | | |
| Skytrek Tours & Travels | | - | 15,292 |
| **Balance Due to be Paid - End of the Year** | **Key Managerial Personnel** | | |
| Mr. Hitendra M. Doshi | | 137,439 | 275,704 |
| **Balance Due to be Received - End of the Year** | **Holding Company** | | |
| Transformers & Rectifiers (India) Limited | | 35,158,142 | 34,192,082 |
| **Balance Due to be Received - End of the Year** | **Fellow Subsidiary** | | |
| Transweld Mechanical Engineering Works Ltd. | | - | 1,417 |

43 **Eligibility of Corporate Social Responsibility**
Based on the average net profits of the Company after computation of Net Profit as per Section 198 of the Companies Act, 2013 for the preceding three financial years, the Company is not required to spend any amount on CSR activities during the financial year 2017-18.

44 The value of realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

45 Balances of trade receivables and trade payables are subject to confirmation, reconciliation and consequential adjustment, if any.

46 The Company has a system of physical verification of inventory in a phased manner to cover all items on a quarterly basis. Adjustment differences, if any, are carried out on completion of reconciliation.

47 The Company has a system of physical verification of Fixed assets in a phased manner to cover all items over a period of three years. Adjustment differences, if any, are carried out on completion of reconciliation.

48 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

49 **Financial Instruments Disclosure**
(a) **Capital Management**
The company's objective when managing capital is to:
- Safeguard its ability to continue as A going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.

- Maintain an optimal capital structure to reduce the cost of capital.

The company's board of director's review the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital re
Disclosures
This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4(l), (m), (n) and (o).

(i) **Categories of Financial Instruments**

(Amount in Rs.)

| Particulars | | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| **Measured at Amortised Cost** | | | | |
| (i) Trade and Other Receivables | | 104,395,747 | 98,460,180 | 81,344,595 |
| (ii) Cash and Cash Equivalents | | 361,279 | 212,117 | 129,512 |
| (iv) Loans | | 2,176,213 | 2,124,633 | 2,102,777 |
| (v) Other Financial Assets | | 150,565 | 774,717 | - |
| **Measured at Fair Value through Other Comprehensive Income** | | | | |
| (i) Investments | | 2,117,500 | 2,072,543 | 1,836,413 |
| **Financial Liabilities** | | | | |
| **Measured at Amortised Cost** | | | | |
| (i) Borrowings | | 5,680,626 | 31,333,752 | 25,612,819 |
| (ii) Trade Payables | | 61,121,788 | 45,190,618 | 43,986,971 |
| (iii) Other Financial Liabilities | | 1,284,891 | 36,733 | 399,145 |
| **Financial Guarantee Obligation** | | | | |

(ii) **Fair Value Measurement**
This note provides information about how the Company determines fair values of various financial assets.

**Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)**
Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) **Financial Risk Management Objectives**
While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

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**Market Risk**

Market risk is the risk of uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency risk and interest rate risk.

The primary commodity price risk that the company is exposed to include the price variations in the price of CRCA Sheet. The mentioned components form a major part of manufacturing of Radiators. The prices of these commodities lead to increase/ decrease in the cost of Radiators

**Interest Rate Risk**

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

**Liquidity Risk**

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount in Rs.)

| Particulars | Due in 1 Year | 1 Year - 3 Years | More than 3 Years | Total |
|---|---|---|---|---|
| **As at 31st March, 2018** | | | | |
| Borrowings | 5,283,415 | 627,934 | - | 5,911,349 |
| Trade Payables | 61,121,788 | - | - | 61,121,788 |
| Other Financial Liabilities | 1,054,167 | - | - | 1,054,167 |
| Total | 67,459,369 | 627,934 | - | 68,087,303 |
| **As at 31st March, 2017** | | | | |
| Borrowings | 30,475,094 | 763,218 | 95,440 | 31,333,752 |
| Trade Payables | 45,190,618 | - | - | 45,190,618 |
| Other Financial Liabilities | 36,733 | - | - | 36,733 |
| Total | 75,702,446 | 763,218 | 95,440 | 76,561,104 |
| **As at 1st April, 2016** | | | | |
| Borrowings | 25,612,819 | - | - | 25,612,819 |
| Trade Payables | 43,986,971 | - | - | 43,986,971 |
| Other Financial Liabilities | 399,145 | - | - | 399,145 |
| Total | 69,998,935 | - | - | 69,998,935 |

**Credit Risk**

The Company's customer profile include Holding Company and Industries. Accordingly, the Company's customer credit risk is moderate. The Company's average project execution cycle is around 4 to 12 months. General payment terms include advance, a credit period of on an average of 180 days and certain retention money to be released at successful completion of the order. In some cases retentions are substituted with bank/ corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(Amount in Rs.)

| Particulars | Upto 1 Year | 1 Year - 3 Years | More Than 3 Years | Total |
|---|---|---|---|---|
| **As at 31st March,2018** | | | | |
| Loans to Employees | 121,166 | 73,815 | 96,770 | 291,751 |
| Trade Receivables | 104,395,747 | - | - | 104,395,747 |
| Other Financial Assets | 2,003,627 | - | 31,400 | 2,035,027 |
| Total | 106,520,540 | 73,815 | 128,170 | 106,722,525 |
| **As at 31st March,2017** | | | | |
| Loans to Employees | 187,210 | 146,201 | - | 333,411 |
| Trade Receivables | 98,460,180 | - | - | 98,460,180 |
| Other Financial Assets | 2,537,939 | - | 28,000 | 2,565,939 |
| Total | 101,185,329 | 146,201 | 28,000 | 101,359,530 |

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Transpares Limited

## 50 First time adoption of Ind AS - Reconciliation

Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016

| Particulars | Notes | As at 31st March 2017 | | | As at 1st April 2016 | | |
|---|---|---|---|---|---|---|---|
| | | Previous GAAP | Ind AS Adjustment | As per Ind AS Balance Sheet | Previous GAAP | Ind AS Adjustment | As per Ind AS Balance Sheet |
| (1) Non Current Assets | | | | | | | |
| (a) Property, Plant and Equipment | | 70,600,572 | - | 70,600,572 | 70,499,541 | - | 70,499,541 |
| (b) Capital work-in-progress | | - | - | - | - | - | - |
| (c) Intangible Assets | | - | - | - | - | - | - |
| (d) Financial Assets | | - | - | - | - | - | - |
| (i) Investment | 1 | 1,125,000 | 947,543 | 2,072,543 | 1,125,000 | 711,413 | 1,836,413 |
| (ii) Loans | | 1,791,222 | - | 1,791,222 | 1,641,222 | - | 1,641,222 |
| (e) Other Non Current Assets | | 11,197,965 | - | 11,197,965 | 10,889,800 | - | 10,889,800 |
| Total Non Current Assets | | 84,714,759 | 947,543 | 85,662,302 | 84,155,563 | 711,413 | 84,866,976 |
| (2) Current Assets | | | | | | | |
| (a) Inventories | | 26,232,640 | - | 26,232,640 | 20,629,066 | - | 20,629,066 |
| (b) Financial Assets | | - | - | - | - | - | - |
| (i) Trade receivables | | 98,460,180 | - | 98,460,180 | 81,344,595 | - | 81,344,595 |
| (ii) Cash and Cash Equivalents | | 212,117 | - | 212,117 | 129,512 | - | 129,512 |
| (iv) Loans | | 333,411 | - | 333,411 | 461,555 | - | 461,555 |
| (v) Others | | 774,717 | - | 774,717 | - | - | - |
| (c) Current Tax Assets (net) | | 535,248 | - | 535,248 | 963,846 | - | 963,846 |
| (d) Other Current Assets | 2 | 2,436,442 | 345,205 | 2,781,647 | 657,496 | 345,205 | 1,002,701 |
| Total Current Assets | | 128,984,753 | 345,205 | 129,329,959 | 104,186,069 | 345,205 | 104,531,274 |
| Total Assets | | 213,699,513 | 1,292,748 | 214,992,261 | 188,341,632 | 1,056,618 | 189,398,250 |
| Equity | | | | | | | |
| (a) Equity Share Capital | | 19,368,000 | - | 19,368,000 | 19,368,000 | - | 19,368,000 |
| (b) Other Equity | 3 | 103,318,292 | (1,011,022) | 102,307,271 | 87,748,641 | 966,666 | 88,715,307 |
| Total Equity | | 122,686,292 | (1,011,022) | 121,675,271 | 107,116,641 | 966,666 | 108,083,307 |
| Liabilities | | | | | | | |
| (1) Non Current Liabilities | | | | | | | |
| (a) Financial Liabilities | | | | | | | |
| (i) Borrowings | | 858,659 | - | 858,659 | - | - | - |
| (ii) Others | | - | - | - | - | - | - |
| (b) Provisions | | 379,129 | - | 379,129 | 365,508 | - | 365,508 |
| (c) Deferred Tax Liabilities (Net) | 4 | 6,115,794 | 2,303,770 | 8,419,564 | 7,475,004 | 89,952 | 7,564,956 |
| Total Non Current Liabilities | | 7,353,582 | 2,303,770 | 9,657,351 | 7,840,512 | 89,952 | 7,930,464 |
| (2) Current Liabilities | | | | | | | |
| (a) Financial Liabilities | | | | | | | |
| (i) Borrowings | | 30,265,222 | - | 30,265,222 | 25,612,819 | - | 25,612,819 |
| (ii) Trade Payables | | 45,190,618 | - | 45,190,618 | 43,986,971 | - | 43,986,971 |
| (iii) Others | | 246,605 | - | 246,605 | 399,145 | - | 399,145 |
| (b) Other Current Liabilities | | 1,942,108 | - | 1,942,108 | 518,613 | - | 518,613 |
| (c) Short Term Provisions | | 26,919 | - | 26,919 | 28,313 | - | 28,313 |
| (d) Current Tax Liabilities (Net) | | 5,988,166 | - | 5,988,166 | 2,838,618 | - | 2,838,618 |
| Total Current Liabilities | | 83,659,639 | - | 83,659,639 | 73,384,479 | - | 73,384,479 |
| Total Liabilities | | 91,013,220 | 2,303,770 | 93,316,990 | 81,224,991 | 89,952 | 81,314,943 |
| Total Equity and Liabilities | | 213,699,513 | 1,292,748 | 214,992,261 | 188,341,632 | 1,056,618 | 189,398,250 |

1 **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. As at the transition date, the Company has made irrevocable choice to account for these investments at fair value through other comprehensive income (OCI), resulting in increase in total equity by Rs. 7,11,413 and Rs. 9,47,543 as at April 1 2016 and March 31, 2017 respectively

2 **Financial Guarantees:**
Under Ind AS, financial guarantee contracts are measured initially at fair value and subsequently accounted at amortised cost using effective interest method. The holding company has given financial guarantees for the Company without charging guarantee fee which have been recognized on transition date. Accordingly, an amount of Rs. 3,45,205 has been recognized as prepaid guarantee charges as at April 1, 2016 with corresponding credit to deemed capital contribution from holding company. Similarly, an amount of Rs. 2,17,295 has been recognized as prepaid guarantee charges as at March 31, 2017, the corresponding amount along with the changes in the guarantee during the year, aggregating to Rs. 5,62,500 has been taken to equity.

4 **Deferred Tax:**
Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an decrease in equity by Rs. 89,952 as at April 1, 2016 and Rs. 22,01,872 as at March 31, 2017 and subsequent increase in Deferred Tax Liability.

5 **Remeasurement of defined benefit plans:**
Under previous GAAP, actuarial gain and losses were recognised in the statement of profit and loss. Under Ind AS the actuarial gains and losses from part of remeasurement of defined benefit plans amounting to Rs. 1,19,357 (deferred tax impact Rs. 30,734) have been recognised in other comprehensive income instead of statement of profit and loss.

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**Reconciliation of total equity as at March 31, 2017 and April 1, 2016**

| Particulars | Notes | As at 31st March 2017 | As at 1st April 2016 (Date of Transition) |
|---|---|---|---|
| Total equity (shareholders' funds) under Previous GAAP | | 122,686,292 | 107,116,641 |
| Adjusments: | | | |
| Recognition of financial guarantee | 2 | 907,705 | 345,205 |
| Equity instruments measured at fair value | 1 | 947,543 | 711,413 |
| Amortisation of financial guarantee | 2 | (562,500) | - |
| Deferred tax on above adjustments | 4 | (2,303,770) | (89,952) |
| **Total adjustment to equity** | | **(1,011,022)** | **966,666** |
| **Total equity under Ind AS** | | **121,675,271** | **108,083,307** |

**Effect of Ind AS adoption on the Standalone Statement of Profit and Loss for the year ended March 31, 2017**

| Particulars | Notes | Previous GAAP | Ind AS Adjustment | As per Ind AS |
|---|---|---|---|---|
| I. Revenue from Operations (Gross) | | 257,150,781 | - | 257,150,781 |
| II. Other Income | | 547,351 | - | 547,351 |
| III. Total Revenue (I + II) | | 257,698,132 | - | 257,698,132 |
| **IV. Expenses** | | | | |
| (a) Cost of Materials Consumed | | 140,444,765 | - | 140,444,765 |
| (b) Changes in Inventories of Finished Goods and Process Stock | | (5,059,454) | - | (5,059,454) |
| (c) Excise & Service Cost | | 28,566,538 | - | 28,566,538 |
| (d) Employee Benefits Expense | 1 | 9,077,672 | 119,357 | 9,197,029 |
| (e) Finance Cost | | 6,278,372 | - | 6,278,372 |
| (f) Depreciation & Amortization Expense | | 6,051,333 | - | 6,051,333 |
| (g) Other Expenses | 2 | 52,076,277 | 562,500 | 52,638,777 |
| **Total Expenses** | | **237,435,503** | **681,857** | **238,117,360** |
| **V. Profit Before Tax (III-IV)** | | 20,262,629 | (681,857) | 19,580,772 |
| **VI. Tax Expenses:** | | | | |
| (a) Current Tax relating to: | | | | |
| - Current Year | | 6,309,515 | - | 6,309,515 |
| - Earlier Years | | 144,862 | - | 144,862 |
| **Net Current Tax Expenses** | | | | |
| (a) Deferred Tax | 3 | (1,761,399) | 2,105,013 | 343,614 |
| **Net Tax Expenses** | | **4,692,978** | **2,105,013** | **6,797,991** |
| **VII. Profit for The Year (V-VI)** | | 15,569,651 | (2,786,870) | 12,782,782 |
| **VIII. Other Comprehensive Income (OCI)** | | | | |
| (a) Items that will not be reclassified to profit or loss | | | | |
| (i) Re-measurement of the defined benefit plans | 1 | - | 119,357 | 119,357 |
| (ii) Gains from investments in equity instruments designated at fair value through other comprehensive income | 4 | - | 236,130 | 236,130 |
| Tax impact | | - | (108,806) | (108,806) |
| (b) Items that will be reclassified to profit or loss | | | | |
| **IX. Total Comprehensive Income for The Year (VII-VIII)** | | **15,569,651** | **(2,540,188)** | **13,029,463** |

1 **Remeasurement of defined benefit plans:**
Under Ind AS 19 Employee Benefits' Remeasurement i.e. actuarial gains and losses of defined benefit plans amounting to Rs. 1,19,357 (deferred tax impact Rs. 30,734) have been recognised in other comprehensive income. Accordingly remeasurement have been adjusted from Employee Benefit expenditure resulted in corresponding increase in Net Profit after tax.

2 **Amortization of financial guarantees:**
Financial guarantees have been recognized as financial guarantee prepayments as at the transition date. Such guarantees have been amortized to statement of profit & loss over the guarantee period, resulting in increase in other expense by Rs. 5,62,500 during year ended March 31, 2017.

3 **Deferred Tax:**
Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in deferred tax by Rs. 21,05,013 during year ended March 31, 2017.

4 **Fair valuation of Investments in Equity Instruments:**
The Company has irrevocably elected to present the changes in fair value of equity instruments of companies other than Subsidiaries, Associates & Joint Ventures are measured at fair value in Other Comprehensive Income (OCI), as at April 1, 2016. Subsequent fair value changes have been recognized in Other Comprehensive Income (OCI). This has resulted in increase in other comprehensive income by Rs. 2,36,130 (tax impact Rs. 78,072) during year ended March 31, 2017.

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