

# HP TELECOM INDIA PRIVATE LIMITED

## ANNUAL REPORT

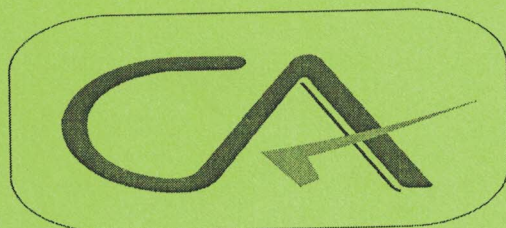
Financial Year - 2018-19

### Registered office :

H-25, Sajnee Complex, City Light Road,  
Surat, Gujarat - 395007

### Directors

SANGITA BHARAT YADAV - WTD - [DIN : 08092311]  
DHAVAL YATIN SANGHAVI - WTD - [DIN : 03603511]



**Auditor**

**M/S. JIGAR CHOKSI & ASSOCIATES.**

**CHARTERED ACCOUNTANTS**

103, AKSHAR VATS CPMPLEX, B/s. LALBHAI CONT. COMPLEX

NANPURA, SURAT - 395001

(M) : 94290 90905

E mail : ca.jigarchoksi@yahoo.com

## **HP TELECOM INDIA PRIVATE LTD.**

Office:-1, Raj Rajeshwari Society,  
Opp Chandra Nagar Brts Bus Stand, Paldi-380007.  
Mob: 98253 09977, e\_mail:hvciipl@gmail.com  
Reg. Office:- H-25, Sajni Complex, Opp.Surya Darshan Complex,  
City light, Surat, (Guj.) India- 395 007.

# **SONY**

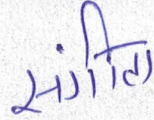
### **NOTICE**

NOTICE is hereby given that the 8<sup>th</sup> Annual General Meeting of the Members of the **M/s. HP TELECOM INDIA PRIVATE LIMITED** will be held on 30<sup>th</sup>, September 2019 at 02.00 P.M., at Registered Office of the Company at **H-25, SAJNEE COMPLEX OPP. SURYA COMPLEX, CITY LIGHT ROAD SURAT GUJARAT 395007 INDIA** to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2019 and Profit and Loss Account (Statement of Profit and Loss) for the financial year ended on that date, together with Reports of Directors' and Auditors' thereon.

**FOR AND ON BEHALF OF THE BOARD  
M/S. HP TELECOM INDIA PRIVATE LIMITED**



**DATE : 24/09/2019  
PLACE : SURAT**

**SANGEETA YADAV  
DIRECTOR  
DIN: 08092311**

#### **REGISTERED OFFICE:**

**H-25, SAJNEE COMPLEX OPP.SURYA COMPLEX,  
CITY LIGHT ROAD SURAT GJ 395007 IN**

#### **NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself / herself and the proxy/proxies need not be a Member of the Company. The proxies, in order to be valid, must be duly completed, stamped and signed and must reach the Company's Registered Office not less than 48 hours before the commencement of the meeting.

## **HPTPL**

## HP TELECOM INDIA PRIVATE LTD.

Office:-1, Raj Rajeshwari Society,  
Opp Chandra Nagar Brts Bus Stand, Paldi-380007.  
Mob: 98253 09977, e\_mail:hvciipl@gmail.com  
Reg. Office:- H-25, Sajni Complex, Opp.Surya Darshan Complex,  
City light, Surat, (Guj.) India- 395 007.

### DIRECTORS' REPORT

Dear Members,  
M/s. HP TELECOM INDIA PRIVATE LIMITED

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report together with the Audited Statement of Accounts of your Company with the Reports of the Board of Directors and Auditor's Report for the Year ended **March 31, 2019**.

#### 1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2019:

(Amount In Rupees)

Particulars	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March 2018
Total Revenue from Operations	1,18,58,18,825.00	96,98,88,802.00
Other Income	5,61,27,847.00	2,36,12,388.00
Total Revenue	1,24,19,46,672.00	99,35,01,190.00
<b>Total Expense</b>	(1,22,19,09,181.00)	(97,74,01,293.00)
<b>Less: Depreciation</b>	(2,48,871.00)	2,98,587.00
Less: Interest	(1,27,98,043.00)	(89,60,383.00)
Extraordinary Items	-	-
<b>Profit/(Loss) Before Tax</b>	69,90,577.00	68,40,927.00
Net Tax Expenses including deferred Tax		
--Current Tax	12,50,000.00	19,42,000.00
--Deferred Tax	(6,674.00)	(24,180.00)
<b>Net Profit/(Loss) after Tax</b>	57,47,251.00	49,23,107.00

#### 2. STATE OF AFFAIRS

The Company is engaged in the business of Telephones and Communications equipments. There has been no change in the business of the Company during the financial year ended 31<sup>st</sup> March, 2019.

❖ The highlights of the Company's performance are as under:-

During the year under review, Company has made a substantial growth and earned the revenue of Rs. 1,18,58,18,825.00/-from its operations.

➤ Net Profit for the year was Rs. 57,47,251.00/-.

➤ The Company has remarkably improved its performance as compared to previous years and shall focus on its further growth to yield better results for upcoming years.

**3. DIVIDEND:**

Directors have not recommended any dividend for the year under review as the company decided to re-invest the profit for the further growth of the Company.

**4. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint Venture or Associate Company.

**5. TRANSFER TO RESERVES:**

The Company has earned profit of Rs. 57,47,251.00/- and the same has been transferred with other expenses and securities premium to Reserves and Surplus..

**6. SHARE CAPITAL:**

During the year review the there is no change in Authorized capital and issued, subscribed and Paid-up Share capital of the Company has been increased from Rs. 4,75,00,000/- to Rs. 49900000.00 (Issuing 2,40,000 Equity shares of Rs. 10 each).

**7. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:**

During the year under review there have been changes in the Directorship of the Company.

**8. SATUTORY AUDITOR:**

The Report of the Auditor is self explanatory and does not contain any qualification, reservation or adverse remark. M/s. JigarChoksi&Associates, Chartered Accountants (M. No. 145804), has been appointed in the AGM held in the year 2015 as the Statutory Auditors of the company under Section 139. However, their appointment as Statutory Auditors of the Company is subject to ratification by the Members at the ensuing Annual General Meeting.

**9. AUDIT OBSERVATIONS:**

Auditor's observations are suitably explained in the notes to the accounts and are self-explanatory and need no comments.

**10. EXTRACT OF THE ANNUAL RETURNS:**

An extract of the annual return in Form MGT-9 for the year ended on 31<sup>st</sup> March 2019 pursuant to Sub-section(3) of Section 92 of the companies act, 2013 is attached hereunder:

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U51395GJ2011PTC064616
2.	Registration Date	26/03/2011
3.	Name of the Company	HP TELECOM INDIA PRIVATE LIMITED
4.	Category/Sub-category of the Company	Indian Non-Government Company
5.	Address of the Registered office & contact details	Gr. Floor Shop No. 10/11, BhagwatiAshish Complex, TPS 4., FP 149, Umra-South, Citylight Road, Surat GJ 395007 IN
6.	E-mail:	hvciipl@gmail.com
7.	Whether listed company	NO
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Whole sale of telephones and Communications equipments	51526	95.48%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

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

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Share Held	Applicable Section
	--	--	--	--	--

**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(A) Category-wise Share Holding -**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]	No. of Shares held at the end of the year[As on 31-March-2019]	% Change during

	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	the year
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	--	3440000	3440000	72.42	--	3780000	3780000	75.74%	+3.32
b) Central Govt	--	--	--	0.00%	--	--	--	0.00%	0.00%
c) State Govt(s)	--	--	--	0.00%	--	--	--	0.00%	0.00%
d) Bodies Corp.	--	--	--	0.00%	--	--	--	0.00%	0.00%
e) Banks / FI	--	--	--	0.00%	--	--	--	0.00%	0.00%
f) Any other	--	--	--	0.00%	--	--	--	0.00%	0.00%
<b>Sub-Total (A)(1)</b>	--	<b>3440000</b>	<b>3440000</b>	<b>72.42</b>	--	<b>3780000</b>	<b>3780000</b>	<b>75.74%</b>	--
<b>(2) Foreign</b>									
(a) NRIs - Individuals	--	--	--	0.00%	--	--	--	0.00%	0.00%
(b) Other - Individuals	--	--	--	0.00%	--	--	--	0.00%	0.00%
(c) Bodies Corp.	--	--	--	0.00%	--	--	--	0.00%	0.00%
(d) Banks/FI	--	--	--	0.00%	--	--	--	0.00%	0.00%
(e) Any other...	--	--	--	0.00%	--	--	--	0.00%	0.00%
<b>Sub-total (A) (2) :-</b>	--	--	--	<b>0.00%</b>	--	--	--	<b>0.00%</b>	<b>0.00%</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	--	<b>3440000</b>	<b>3440000</b>	<b>72.42</b>	--	<b>3780000</b>	<b>3780000</b>	<b>75.74%</b>	--
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	0.00%	--	--	--	0.00%	0.00%
b) Banks / FI	--	--	--	0.00%	--	--	--	0.00%	0.00%
c) Central Govt	--	--	--	0.00%	--	--	--	0.00%	0.00%
d) State Govt(s)	--	--	--	0.00%	--	--	--	0.00%	0.00%
e) Venture Capital Funds	--	--	--	0.00%	--	--	--	0.00%	0.00%
f) Insurance Companies	--	--	--	0.00%	--	--	--	0.00%	0.00%
g) FIIs	--	--	--	0.00%	--	--	--	0.00%	0.00%
h) Foreign Venture Capital Funds	--	--	--	0.00%	--	--	--	0.00%	0.00%
i) Others (specify)	--	--	--	0.00%	--	--	--	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	--	--	--	<b>0.00%</b>	--	--	--	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	--	--	--	0.00%	--	--	--	0.00%	0.00%
ii) Overseas	--	--	--	0.00%	--	--	--	0.00%	0.00%
b) Individuals	--	--	--	0.00%	--	--	--	0.00%	0.00%

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	0.00%	--	--	--	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	13,10,000	13,10,000	27.59	--	12,10,000	12,10,000	24.26%	-3.33
c) Others (specify)	--	--	--	0.00%	--	--	--	0.00%	0.00%
Non Resident Indians	--	--	--	0.00%	--	--	--	0.00%	0.00%
Overseas Corporate Bodies	--	--	--	0.00%	--	--	--	0.00%	0.00%
Foreign Nationals	--	--	--	0.00%	--	--	--	0.00%	0.00%
Clearing Members	--	--	--	0.00%	--	--	--	0.00%	0.00%
Trusts	--	--	--	0.00%	--	--	--	0.00%	0.00%
Foreign Bodies-DR	--	--	--	0.00%	--	--	--	0.00%	0.00%
Sub-total (B)(2):-	--	--	--	0.00%	--	--	--	0.00%	0.00%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	--	13,10,000	13,10,000	27.59	--	12,10,000	12,10,000	24.26%	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	0.00%	--	--	--	0.00%	0.00%
Grand Total (A+B+C)	--	4,75,00,00	4,75,00,00	100.00%	--	4,99,00,000	4,99,00,000	100.00%	--

#### B) Shareholding of Promoter -

SN	Shareholder's 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	Seema V Yadav	1615000	34	0.00%	1855000	37.17	0.00%	+3.17
2	VijaylalYadav	1825000	38.42	0.00%	1825000	36.57	0.00%	-1.85
3	SangeetaYadav	0	0	0	100000	2.00	0.00%	+2.00
	Total	3440000	72.42	--	3780000	73.74	--	--

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3440000	72.42	3440000	72.42
	Date wise Increase / Decrease in Promoters Shareholding during the	240000	1.32	240000	1.32

year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):- Allotment of new equity shares				
At the end of the year	3780000	75.74	3780000	75.74

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	❖ Ajay A Mishra	900000	18.95	900000	18.95
	❖ Bharat Lalsing	170000	3.85	170000	3.85
	❖ Krishna lalsingyadav	140000	2.95	140000	2.95
	❖ Sangita b yadav	100000	2.11	100000	2.11
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): Change of shareholder in promoter's category				
	❖ Sangita b yadav	1,00,000	-3.33	1,00,000	-3.33
	At the end of the year				
	❖ Ajay A Mishra	900000	18.04	900000	18.04
	❖ Bharat Lalsing	170000	3.41	170000	3.41
	❖ Krishna lalsingyadav	140000	2.81	140000	2.81

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	❖ VIJAY YADAV	18,25,000	38.42	18,25,000	38.42
	❖ SEEMA YADAV	16,15,000	34.00	16,15,000	34.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): Allotment of new equity shares and change in composition of directors				
	❖ SEEMA YADAV	2,40,000	+3.17	2,40,000	+3.17
	❖ SANGEETA YADAV	1,00,000	+2.00	1,00,000	+2.00
	❖ DHAVAL SANGHVI	0	0	0	0
	❖ JATIN JADIA	0	0	0	0
	❖ VIJAY YADAV	0	-1.85	0	-1.85



❖ JITENDRA RAJPARA	0	0	0	0
At the end of the year ❖ SANGEETA YADAV ❖ DHAVAL SANGHVI	100000 0	2.00 0	100000 0	2.00 0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	9,94,42,579	5,86,717	--	10,00,29,296
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>9,94,42,579</b>	<b>5,86,717</b>	--	<b>10,00,29,296</b>
<b>Change in Indebtedness during the financial year</b>	--	--	--	--
* Addition	4,59,62,477	--	--	4,59,62,477
* Reduction	--	(3,02,037)	--	(3,02,037)
<b>Net Change</b>	<b>4,59,62,477</b>	<b>(3,02,037)</b>	--	<b>4,56,60,440</b>
<b>Indebtedness at the end of the financial year</b>		--	--	--
i) Principal Amount	14,54,05,056	2,84,680	--	14,56,89,736
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>14,54,05,056</b>	<b>2,84,680</b>	--	<b>14,56,89,736</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--	--

2	Stock Option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--	--	--
5	Others, please specify	--	--	--	--	--
	Total (A)	--	--	--	--	--
	Ceiling as per the Act	--	--	--	--	--

### B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		DhavalSanghavi				
1	Independent Directors	--	--	--	--	--
	Fee for attending board committee meetings	--	--	--	--	--
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (1)	--	--	--	--	--
2	Other Non-Executive Directors	--	--	--	--	--
	Fee for attending board committee meetings	--	--	--	--	--
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Salary	--	--	--	--	--
	Total (2)	--	--	--	--	18,00,000
3	Other Executive Director	18,00,000		--	--	--
	Total (3)	--	--	--	--	--
	Total (B)=(1+2+3)	--	--	--	--	18,00,000
	Total Managerial Remuneration	18,00,000		--	--	--
	Overall Ceiling as per the Act	--	--	--	--	--

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	--	--	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--

	Others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	--	--	--	--

#### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

#### 11. DIRECTORS:

The board of Directors is duly constituted with Sangeeta yadav and Jitendra Rajpara as the directors of the company. There is appointment of Sangeeta yadav, Jitendra Rajpara, Dhaval Singhvi and Jatin Jadia and resignation of Seema yadav, Vijay yadav and Jatin Jadia in composition of directors during the current financial year.

#### **Directors Meetings**

The company has convened 8 (eight) Board Meetings during the financial year 2018-19 of which Proper notices were given and the proceedings were properly recorded and signed in the Minutes Book as required by the Articles of Association of the Company and the Act.

- **Company Policy On Directors Remuneration And Nomination Committee Including Criteria For Determining Qualifications, Positive Attributes, Independence Of Director And Other Matters Provided Under Sub-Section (3) Of Section 178.**

The company being a private company is not required to constitute a Nomination and Remuneration committee under section 178(1) of the Companies Act, 2013 and Rules 6 of the companies (Meeting of Board and its Powers) Rules 2104 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act,2013.

- **Risk management**

The board of directors has taken steps to ensure the risk factor of the business is taken care of in the best possible way.

- **Key Managerial personnel**

There is no Key managerial Person(KMP) appointed in the company and are not required by law as on date.

## **12. RELATED PARTY TRANSACTIONS:**

Your company has entered into transactions with related parties as defined under section 2(76) of the Companies Act, 2013 and rules made there under. Form AOC-2 pursuant to section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 which is attached with this report.

## **13. CHANGE IN NATURE OF BUSINESS:**

There is no change in the nature of business of the company. However, The Company has changed its registered office by the way of Board Resolution on 20<sup>th</sup> September, 2018 to **Gr. Floor Shop No. 10/11, Bhagwati Ashish Complex, TPS 4., FP 149, Umra-South, Citylight Road, Surat Gujarat 395007 India.**

## **14. DEPOSITS:**

The company has not invited/accepted any Deposits from public during the year ending on 31<sup>st</sup> March of 2019. There were no unclaimed or unpaid Deposits as on 31<sup>st</sup> March 2019.

## **15. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

During the year under review, the Company has advanced loans and to related parties, but it was within the limits and complied under section 186.

<b><u>PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND RELATED PARTY TRANSACTIONS</u></b>						
<b><u>Sr. No.</u></b>	<b><u>Particulars</u></b>	<b><u>Loans</u></b>		<b><u>Guarantees</u></b>	<b><u>Investments</u></b>	<b><u>Related Party Transaction</u></b>
		<b><u>Secured</u></b>	<b><u>Unsecured</u></b>			
<b><u>1</u></b>	<b><u>SNV DISTRIBUTORS PVT LTD</u></b>				<b><u>46,00,000</u></b>	<b><u>NO</u></b>

## **16. STATUTORY DISCLOSURES:**

- **Conservation Of Energy**

Companies operations are not energy intensive and as such involve low energy consumption. However, adequate measures have been taken to conserve energy.

- **Technology absorption**

Operations of the company do not involve any kind of Special technology and there was no expenditure on research and development during this financial year. However your company continues to upgrade its technology (Computer Technology and Telecom infrastructure) in ensuring it is connected with its clients across the globe.

## **17. PARTICULARS OF EMPLOYEES:**

- Presently the company has no employee whose details are required to be furnished under a statement giving particulars of employee under Section 134 of the Companies Act, 2013 and the rules framed there under or under The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013
- None of the employees has received remuneration exceeding the limit as stated in Rule 5(2) of the Companies (Appointment and Remuneration of managerial personnel) Rule, 2014.
- The Employees does not have any employees with exercisable voting rights as per provisions stated under Proviso of section 67(3) read with rule 16(4) share capital and debenture rules, 2014.

## **18. CORPORATE SOCIAL RESPONSIBILITY:**

The company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

## **19. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts for the financial year ended 31st March 2018, the applicable Accounting Standards have been followed along with proper explanation to material departures;
2. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company, for that period.

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

## **20.ACKNOWLEDGEMENTS:**

Your directors thank the bankers, the various Government Agencies, Suppliers, Customers, Investors and All others for their wholehearted support during the year and looking forward to their continued support in years ahead. Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

For and on behalf of the Board  
M/s. HP TELECOM INDIA PRIVATE LIMITED

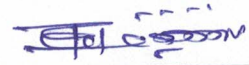
Date :24/09/2019

Place :Surat



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SANGEETA YADAV  
DIRECTOR  
DIN:08092311



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JITENDRA RAJPARA  
DIRECTOR  
DIN:08200060

**FORM AOC - 2**

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

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

Name(s) of the related party and nature of relationship	Not Applicable
Nature of contracts/arrangements/transactions	
Duration of the contracts / arrangements/transactions	
Salient terms of the contracts or arrangements or transactions including the value if any	
Justification for entering into such contracts or arrangements or transactions	
date(s) of approval by the Board	
Amount paid as advances, if any	
Date on which the special resolution was passed	
Amount paid as advances, if any	
Date on which (a) the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

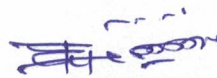
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Amounts (in Rs.)	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as an advance, if any
HV CONNECTING INFRA (I) PVT LTD Sister concern	Purchase	38821837	on going	--	--	--
TELECOM MERCHANT Associate	Purchase	851868	on going	--	--	--

For and on behalf of the Board  
M/s. HP TELECOM INDIA PRIVATE LIMITED

Date :24/09/2019  
Place :Surat

  
\_\_\_\_\_  
SANGEETA YADAV  
DIRECTOR

  
\_\_\_\_\_  
JITENDRA RAJPARA  
DIRECTOR



## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
HP TELECOM INDIA PRIVATE LIMITED.**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of HP TELECOM INDIA PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from






fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches which is also audited by us)
  - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches which are prepared by us]
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls 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 included in the Auditor's Report and to our 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 derivatives 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.

Place : SURAT  
Date : 24/09/2019

for **JIGAR CHOKSI AND ASSOCIATES**  
Chartered Accountants  
*Jigar Choksi*  
**JIGAR SATISHCHANDRA CHOKSI**  
103, AKSHAR-VATS COMPLEX, BESIDE  
LALBHAI CONTRACTOR COMPLEX,  
NANPURA, SURAT-395001 GUJARAT  
0133597W



## ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of HP TELECOM INDIA PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2019.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.  
(c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has granted 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.  
(a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.  
(b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.  
(c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.



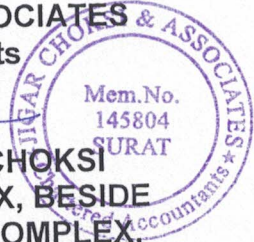
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **JIGAR CHOKSI AND ASSOCIATES**  
Chartered Accountants

*Jigar Choksi*

**JIGAR SATISHCHANDRA CHOKSI**  
103, AKSHAR-VATS COMPLEX, BESIDE  
LALBHAI CONTRACTOR COMPLEX,  
NANPURA, SURAT-395001 GUJARAT

Place : **SURAT**  
Date : **24/09/2019**



## ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **HP TELECOM INDIA PRIVATE LIMITED**. ("The Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that



transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **JIGAR CHOKSI AND ASSOCIATES**  
Chartered Accountants

*Jigar Choksi*

**JIGAR SATISHCHANDRA CHOKSI**

**103, AKSHAR-VATS COMPLEX, BESIDE LALBHAI  
CONTRACTOR COMPLEX, NANPURA, SURAT-  
395001 GUJARAT**



Place : **SURAT**  
Date : **24/09/2019**

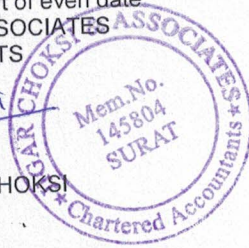
**HP TELECOM INDIA PRIVATE LIMITED**  
**CIN : U51395GJ2011PTC064616**  
**BALANCE SHEET AS AT 31/03/2019**

In ₹

Particulars	Note	31/03/2019	31/03/2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	49900000.00	47500000.00
Reserves and surplus	2.2	23439746.00	17779586.00
Money received against share warrants		-	-
		73339746.00	65279586.00
Share application money pending allotment		-	-
<b>Non-current liabilities</b>			
Long-term borrowings		-	-
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long-term provisions		0.00	0.00
<b>Current liabilities</b>			
Short-term borrowings	2.3	145689736.00	100029296.00
Trade payables	2.4	53080482.00	19685456.00
Other current liabilities	2.5	3512616.00	16394605.00
Short-term provisions	2.6	50000.00	1942000.00
		202332834.00	138051357.00
<b>TOTAL</b>		<b>275672580.00</b>	<b>203330943.00</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2.7	7491287.00	7415037.00
Tangible assets		-	-
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non-current investments	2.8	7491287.00	7415037.00
Deferred tax assets (net)	2.9	4600000.00	4600000.00
Long-term loans and advances	3.0	172952.00	166278.00
Other non-current assets		50500.00	50500.00
		12314739.00	12231815.00
<b>Current assets</b>			
Current investments	3.1	-	-
Inventories	3.2	102774055.00	81528392.00
Trade receivables	3.3	109359377.00	63292841.00
Cash and cash equivalents	3.4	33926590.00	34433984.00
Short-term loans and advances	3.5	17287795.00	11828875.00
Other current assets		10024.00	15036.00
		263357841.00	191099128.00
<b>TOTAL</b>		<b>275672580.00</b>	<b>203330943.00</b>

In terms of our attached report of even date  
For JIGAR CHOKSI AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 0133597W

*Jigar Choksi*  
JIGAR SATISHCHANDRA CHOKSI  
(PROPRIETOR)



For HP TELECOM INDIA PRIVATE LIMITED

*Sangita Bharatlal Yadav*  
SANGITA BHARATLAL  
YADAV  
(DIRECTOR)  
(DIN : 08092311)

*Jitendra Bachubhai Rajpara*  
JITENDRA BACHUBHAI  
RAJPARA  
(DIRECTOR)  
(DIN : 08200060)

Place : Surat

Date : 24/09/2019

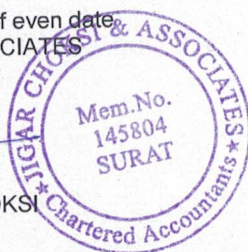
**HP TELECOM INDIA PRIVATE LIMITED**  
**CIN : U51395GJ2011PTC064616**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2019**

In ₹

Particulars	Note	31/03/2019	31/03/2018
Revenue from operations	3.6	1185818825.00	969888802.00
Other income	3.7	56127847.00	23612388.00
<b>Total Revenue</b>		<b>1241946672.00</b>	<b>993501190.00</b>
<b>Expenses</b>			
Cost of materials consumed	3.8	1230133004.00	1001133992.00
Purchases of Stock-in-Trade	3.9	(21245663.00)	(38885520.00)
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	4.0	6881452.00	7774902.00
Employee benefits expense	4.1	12959610.00	9793050.00
Finance costs	4.2	248871.00	298587.00
Depreciation and amortization expense	4.3	5978821.00	6545252.00
Other expenses			
<b>Total expenses</b>		<b>1234956095.00</b>	<b>986660263.00</b>
Profit before exceptional, extraordinary and prior period items and tax		6990577.00	6840927.00
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		6990577.00	6840927.00
Extraordinary Items		-	-
Profit before prior period items and tax		6990577.00	6840927.00
Prior Period Items		-	-
Profit before tax	4.4	6990577.00	6840927.00
Tax expense:			
Current tax		1250000.00	1942000.00
Deferred tax		(6674.00)	(24180.00)
Profit/(loss) for the period from continuing operations		5747251.00	4923107.00
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit/(loss) for the period	4.5	5747251.00	4923107.00
Earnings per equity share:			
Basic		1.15	1.04
Diluted		1.15	1.04

In terms of our attached report of even date  
For JIGAR CHOKSI AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 0133597W

*Jigar Choksi*  
JIGAR SATISHCHANDRA CHOKSI  
(PROPRIETOR)



For HP TELECOM INDIA PRIVATE LIMITED

*Sangita Bharatlal Yadav*  
SANGITA BHARATLAL  
YADAV  
(DIRECTOR)  
(DIN : 08092311)

*Jitendra Bachubhai Rajpara*  
JITENDRA BACHUBHAI  
RAJPARA  
(DIRECTOR)  
(DIN : 08200060)

Place : Surat

Date : 24/09/2019

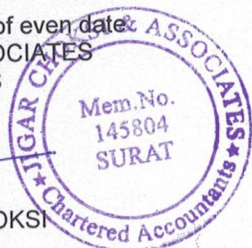
**HP TELECOM INDIA PRIVATE LIMITED**  
**CIN : U51395GJ2011PTC064616**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2019**

In ₹

Particular	31/03/2019
<b>Cash Flows from Operating Activates</b>	6990577.00
Net Profit Before Tax and Extra Ordinary Items	
<b>Adjustment For</b>	248871.00
Depreciation	
Foreign Exchange	
Gain or loss of Sale of Fixed assets	
Gain or loss of Investment	
Finance Cost	
Dividend Income	
Other adjustment of non cash Item	
Other adjustment to reconcile Profit	
<b>Total Adjustment to Profit/Loss (A)</b>	248871.00
<b>Adjustment For working Capital Change</b>	-21245663.00
Adjustment for Increase/Decrease in Inventories	-46066536.00
Adjustment for Increase/Decrease in Trade Receivables	-5453908.00
Adjustment for Increase/Decrease in Other Current Assets	33395026.00
Adjustment for Increase/Decrease in Trade Payable	30488458.00
Adjustment for Increase/Decrease in other current Liabilities	-1892000.00
Adjustment for Provisions	-10774623.00
<b>Total Adjustment For Working Capital (B)</b>	-10525752.00
<b>Total Adjustment to reconcile profit (A+B)</b>	-3535175.00
<b>Net Cash flow from (Used in ) operation</b>	
Dividend Received	
Interest received	
Interest Paid	0.00
Income Tax Paid/ Refund	-3535175.00
<b>Net Cash flow from (Used in ) operation before Extra Ordinary Items</b>	
Proceeds from Extra Ordinary Items	
Payment for Extra Ordinary Item	-3535175.00
<b>Net Cash flow From operating Activities</b>	
<b>Cash Flows from Investing Activities</b>	730371.00
Proceeds From fixed Assets	
Proceeds from Investment or Equity Instruments	342590.00
Purchase of Fixed Assets	
Purchase Of Investments or Equity Instruments	
Interest received	
Dividend Received	
Cash Receipt from Sale of Interest in Joint Venture	
Cash Payment to acquire Interest in Joint Venture	
Cash flow from loosing Control of subsidiaries	
Cash Payment for acquiring Control of subsidiaries	
<b>Net Cash flow from (Used in ) in Investing Activities before Extra Ordinary Items</b>	387781.00
Proceeds from Extra Ordinary Items	
Payment for Extra Ordinary Item	387781.00
<b>Net Cash flow from (Used in ) in Investing Activities</b>	
<b>Cash Flows from Financial Activities</b>	2640000.00
Proceeds From Issuing Shares	
Interest Paid	
Income Tax Paid/Refund	
<b>Net Cash flow from (Used in ) in Financial Activities before Extra Ordinary Items</b>	2640000.00
Proceeds from Extra Ordinary Items	
Payment for Extra Ordinary Item	2640000.00
<b>Net Cash flow from (Used in ) in Financial Activities</b>	-507394.00
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	
Effect of exchange rate change on cash and cash equivalents	-507394.00
<b>Net increase (decrease) in cash and cash equivalents</b>	34433984.00
Cash and cash equivalents at beginning of period	33926590.00
<b>Cash and cash equivalents at end of period</b>	

In terms of our attached report of even date  
For JIGAR CHOKSI AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 0133597W

*Jigar Choksi*  
**JIGAR SATISHCHANDRA CHOKSI**  
(PROPRIETOR)



For HP TELECOM INDIA PRIVATE LIMITED

*Sangita Bharatlal Yadav*  
**SANGITA BHARATLAL YADAV**  
(DIRECTOR)  
(DIN : 08092311)

*Jitendra Bachubhai Rajpara*  
**JITENDRA BACHUBHAI RAJPARA**  
(DIRECTOR)  
(DIN : 08200060)

Place : Surat  
Date : 22/09/2019



**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019**

**2.1 Share Capital**

In ₹

Particulars	31/03/2019	31/03/2018
<b>Authorised</b>		
5000000 (4750000) Equity Shares of ₹ 10/- Par Value	50000000.00	47500000.00
	<b>50000000.00</b>	<b>47500000.00</b>
<b>Issued</b>		
4990000 (4750000) Equity Shares of ₹ 10/- Par Value	49900000.00	47500000.00
	<b>49900000.00</b>	<b>47500000.00</b>
<b>Subscribed</b>		
4990000 (4750000) Equity Shares of ₹ 10/- Par Value	49900000.00	47500000.00
	<b>49900000.00</b>	<b>47500000.00</b>
<b>Paidup</b>		
4990000 (4750000) Equity Shares of ₹ 10/- Par Value Fully Paidup	49900000.00	47500000.00
	<b>49900000.00</b>	<b>47500000.00</b>

**Holding More Than 5%**

Particulars	31/03/2019		31/03/2018	
	Number of Share	% Held	Number of Share	% Held
Ajay A Mishra	900000	18.04	900000	18.95
Bharat Lalsing	170000	3.41	170000	3.58
Krishna Lalsing Yadav	140000	2.81	140000	2.95
Sangita B Yadav	100000	2.00	100000	2.11
Seema Yadav	1855000	37.17	1615000	34.00
Vijay Lalsing Yadav	1825000	36.57	1825000	38.42

**2.2 Reserve and Surplus**

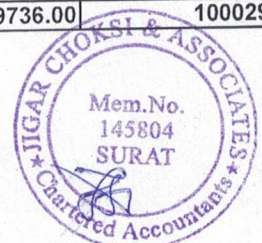
In ₹

Particulars	31/03/2019	31/03/2018
Securities Premium Opening	1750000.00	1250000.00
Additions	240000.00	500000.00
	<b>1990000.00</b>	<b>1750000.00</b>
Profit and Loss Opening	16029586.00	11204361.00
Amount Transferred From Statement of P&L	5747251.00	4923107.00
Amount Transferred From Sundries	(327091.00)	(97882.00)
Others	<b>(327091.00)</b>	<b>(97882.00)</b>
	<b>21449746.00</b>	<b>16029586.00</b>
	<b>23439746.00</b>	<b>17779586.00</b>

**2.3 Short Term Borrowings**

In ₹

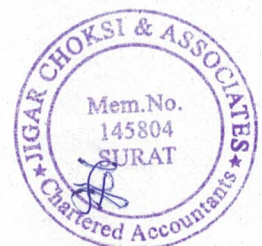
Particulars	31/03/2019	31/03/2018
<b>Loans repayable on demand</b>		
<b>Banks</b>		
<b>Secured</b>		
State Bank of India (CC)-1731	145405116.00	63134188.00
State Bank of India (CC)-7002	(60.00)	36308391.00
<b>Loans and advances from related parties</b>		
<b>Unsecured</b>		
<b>Director</b>		
Ajay Mishra	95572.00	95572.00
Seema V. Yadav	9197.00	229197.00
Vijay Yadav	179911.00	61948.00
<b>Other</b>		
H V Lubricants	0.00	200000.00
	<b>145689736.00</b>	<b>100029296.00</b>



## 2.4 Trade Payables

In ₹

Particulars	31/03/2019	31/03/2018
<b>Creditors Due others</b>		
United Telelinks-features	474703.00	474703.00
United Telelinks LTD-smart	19722393.00	322493.00
Sony India Pvt Ltd (Mobile)	(1480300.00)	226640.00
Sony India (P) Ltd.	11856211.00	1333254.00
AARVEE COMPUTERS	553066.00	0.00
ARTLINE SUPPLIERS PVT LTD	200000.00	0.00
COMPUAGE INFOCOM LIMITED-DEL	(41335.00)	0.00
ELITE COMMUNICATION	(4186.00)	0.00
ETRONICS GLOBAL DISTRIBUTORS LLP	12795794.00	0.00
EUREKA FORBES LIMITED	(394046.00)	0.00
EUREKA FORBES LIMITED-MP	249633.00	0.00
EUREKA FORBES LIMITED -RAJASTHAN	113243.00	0.00
G MOBILE DEVICES PRIVATE LIMITED	(748399.00)	0.00
G MOBILE DEVICES PRIVATE LIMITED -DL	200000.00	0.00
G MOBILE DEVICES PRIVATE LIMITED-MH	246667.00	0.00
H D SYSTEM SALES PRIVATE LIMITED	(883600.00)	0.00
HARIOM COMMUNICATION LLP	(56530.00)	0.00
HV DISTRIBUTORS PRIVATE LIMITED (CR)	2109312.00	0.00
INGRAM MICRO INDIA PRIVATE LIMITED	(162134.00)	0.00
INGRAM MICRO INDIA PRIVATE LIMITED(KAR)	162134.00	0.00
INGRAM MICRO INDIA PRIVATE LIMITED(TN)	278406.00	0.00
INTEX TECHNOLOGIES INDIA LIMITED	(23650.00)	0.00
JOSHI AND SONS-CR	415400.00	0.00
KALYAN MOBILE	(63700.00)	0.00
KS DISTRIBUTORS PVT LTD-CR	187440.00	0.00
LEO COMMUNICATION	651600.00	0.00
LG ELECTRONICS INDIA PVT LTD	(255971.00)	0.00
LOCALCUBE COMMERCE PVT LTD	99820.00	0.00
N M DISTRIBUTORS-CR	680000.00	0.00
OVERSEAS CORPORATION	(51770.00)	0.00
R G CELLULARS PRIVATE LIMITED	36000.00	0.00
RASHI PERIPHERALS PVT LTD	2185481.00	0.00
REDINGTON INDIA LIMITED (HAR)	271032.00	0.00
RELIANCE RETAIL LTD	(282388.00)	0.00
ROOP ENTERPRISE	1894627.00	0.00
S MOBILE DEVICES LIMITED	(108767.00)	0.00
S MOBILE DEVICES LIMITED (CH)	(6725.00)	0.00
SMART COMMUNICATION(PURCHASE)	(3264408.00)	0.00
SNV DISTRIBUTORS PRIVATE LIMITED	(285290.00)	0.00
SONAS	(357602.00)	0.00
SONY INDIA PVT LTD-(MH)	29687.00	0.00
SREENIDHI COMMUNICATIONS	143615.00	0.00
TELECITY ENTERPRISES LLP	5994720.00	0.00
TRIPPLANNER TRAVEL SHOP PVT LTD.	299.00	0.00
Umiya Mobile World (cr)	0.00	165000.00
Sony India Pvt Ltd (Mobile-Ahmbd)	0.00	(213625.00)
panasonic Ind Pvt Ltd	0.00	(97203.00)
Micromax Info Ltd-Smart	0.00	(3600.00)
Micromax Info Ltd-Featur-UP	0.00	956026.00
Micromax Info Ltd-Featur-MP	0.00	720929.00
Micromax Info Ltd-Featur-maha	0.00	8393502.00
Micromax Info Ltd-featur-haryana	0.00	3410295.00
Micromax Info Ltd-Featur-Ch	0.00	285367.00
Micromax Info Ltd-Featur-2014859	0.00	(7469335.00)
Mahavir enterprise	0.00	99597.00
Jay Jalaram Technologies Pvt Ltd	0.00	613720.00
ITREND	0.00	27209.00
Ipearl	0.00	395279.00
Intex Tech India Pvt Ltd	0.00	747050.00
Divyang Info Pvt Ltd	0.00	675000.00
CPS technogies	0.00	844399.00
	<b>53080482.00</b>	<b>19685456.00</b>



2.5 Other Current Liabilities

In ₹

Particulars	31/03/2019	31/03/2018
<b>Other payables</b>		
<b>Employee Related</b>		
<b>Accrued Salary Payable</b>		
Dhaval Sanghvi	3420102.00	1949703.00
<b>Tax Payable</b>		
<b>TDS</b>		
TDS PAYABLE	25842.00	0.00
<b>Other Current Liabilities</b>		
Triratna Enterprise	22288.00	32947.00
Vijay Yadav Salary	44384.00	745754.00
Sales Promotion payable	0.00	13666201.00
	<b>3512616.00</b>	<b>16394605.00</b>

2.6 Short Term Provisions

In ₹

Particulars	31/03/2019	31/03/2018
<b>Tax Provision</b>		
<b>Current Tax</b>		
Provision for Income tax	0.00	1942000.00
<b>Others</b>		
PAYABLE AUDIT FEES	50000.00	0.00
	<b>50000.00</b>	<b>1942000.00</b>



## 2.7 Tangible assets

In ₹

Particulars	Gross				Depreciation			Net		
	Opening	Addition	Deduction	Closing	Opening	During Period	Deduction	Other Adj.	Closing	Opening
Building										
Office Building	6885700.00			6885700.00						6885700.00
OFFICE BUILDING	6885700.00			6885700.00						6885700.00
<b>Total</b>										
Equipments										
Office Equipments	4850.00			4850.00	2314.00	1143.00			3457.00	2536.00
ELECTRIC INSTALLATION	89500.00			89500.00	86614.00				86614.00	2886.00
OFFICE EQUIPMENT	60375.00			60375.00	58336.00				58336.00	2039.00
OFFICE EQUIPMENT	16600.00			16600.00	16053.00				16053.00	547.00
OFFICE EQUIPMENT	171325.00			171325.00	163317.00	1143.00			164460.00	8008.00
<b>Total</b>										
Computer Equipments	451960.00			451960.00	445930.00				445930.00	6030.00
COMPUTER	37200.00			37200.00	35625.00				35625.00	1575.00
COMPUTER	364021.00			364021.00	300833.00	34455.00			332288.00	63188.00
COMPUTER	220500.00			220500.00	216495.00				216495.00	4005.00
COMPUTER	1073681.00			1073681.00	998883.00	34455.00			1033338.00	74798.00
<b>Total</b>										
Furniture and Fixtures	550108.00	62318.00		612426.00	231940.00	93423.00			325363.00	318168.00
FURNITURE AND FIXTURE	181975.00			181975.00	162072.00	6825.00			168897.00	19903.00
FURNITURE AND FIXTURE	361963.00			361963.00	320926.00	13682.00			334608.00	41037.00
FURNITURE AND FIXTURE	1094046.00	62318.00		1156364.00	714938.00	113930.00			828868.00	379108.00
<b>Total</b>										
Vehicles										
Motor Vehicles	730371.00		730371.00		699497.00	13405.00			712902.00	30874.00
MOTOR VEHICLES	353000.00			353000.00	329413.00	9491.00			338904.00	23587.00
MOTOR VEHICLES	133182.00			133182.00	120220.00	4266.00			124486.00	12962.00
SCOOTER		280272.00		280272.00		72181.00			72181.00	208091.00
MOTOR VEHICLES	1216553.00	280272.00	730371.00	766454.00	1149130.00	99343.00			535571.00	67423.00
<b>Total</b>										
Grand Total	10441305.00	342590.00	730371.00	10053524.00	3026268.00	248871.00	712902.00	0.00	2562237.00	7415037.00
Previous	10599305.00	12000.00	170000.00	10441305.00	2885095.00	238587.00	157414.00	0.00	3026268.00	7714210.00



2.8 Non-current investments

In ₹

Particulars	31/03/2019	31/03/2018
<b>Investments in Equity Instruments</b>		
<b>Trade, Unquoted</b>		
46000 (31/03/2018 : 460000) Shares of ₹ 10 Each Fully Paidup in SNV DISTRIBUTORS PVT LTD	4600000.00	4600000.00
	<b>4600000.00</b>	<b>4600000.00</b>

2.9 Deferred Taxes

In ₹

Particulars	31/03/2019	31/03/2018
<b>Deferred Tax Assets</b>		
Other	172952.00	166278.00
	<b>172952.00</b>	<b>166278.00</b>

3.0 Long-term loans and advances

In ₹

Particulars	31/03/2019	31/03/2018
<b>Security Deposits</b>		
<b>Secured, considered good</b>		
BSNL- Deposit	500.00	500.00
Vat Tax Deposit	50000.00	50000.00
<b>Loans and advances to others</b>		
	<b>50500.00</b>	<b>50500.00</b>

3.1 Inventories

In ₹

Particulars	31/03/2019	31/03/2018
Stock in Trade	102774055.00	81528392.00
	<b>102774055.00</b>	<b>81528392.00</b>

3.2 Trade receivables

In ₹

Particulars	31/03/2019	31/03/2018
<b>Trade Receivable</b>		
<b>Unsecured considered good</b>		
<b>Exceeding Six Months</b>		
Trade Receivables	109359377.00	63292841.00
	<b>109359377.00</b>	<b>63292841.00</b>

3.3 Cash and cash equivalents

In ₹

Particulars	31/03/2019	31/03/2018
Cash in Hand	673402.00	514660.00
<b>Balances With Banks</b>		
<b>Balance With Scheduled Banks</b>		
<b>Current Account</b>		
Axis Bank Ltd	2219764.00	4718197.00
State Bank Of India-3033	29102.00	21873.00
State Bank Of India-8001	30519.00	12189.00
State Bank Of India-9855	32708.00	177678.00
Stat Bank of India C/A#1523	32745.00	92438.00
Stat Bank of india-4281	22697.00	57490.00
<b>Deposit Account</b>		
Deposit With Bank	30885653.00	28839459.00
	<b>33926590.00</b>	<b>34433984.00</b>



### 3.4 Short-term loans and advances

Particulars	In ₹	
	31/03/2019	31/03/2018
<b>Security Deposits</b>		
<b>Loans and advances to others</b>		
<b>Unsecured, considered good</b>		
VAT TAX MAHARASTRA	819252.00	819252.00
GST	15334824.00	5141366.00
Deposit With Intex	170203.00	1132496.00
SNV DISTRIBUTERS PVT LTD	0.00	285290.00
JAINA MOBILE INDIA PVT LTD	0.00	918126.00
RELIANCE RETAIL LTD	0.00	1411745.00
RASHI PERIPHERALS PVT LTD	0.00	460169.00
REDINGTON INDIA LTD	0.00	39828.00
Lg Electronic Ind Pvt ltd	0.00	5545.00
Kataria Automobile	0.00	21000.00
Axis Bank Channal Finance ( SONY CAV)	0.00	12967.00
<b>Secured, considered good</b>		
Shop Rent Dep	154000.00	154000.00
TDS	809516.00	327091.00
Advance Income tax & TDS (Net of provisions)	0.00	1100000.00
	<b>17287795.00</b>	<b>11828875.00</b>

### 3.5 Other current assets

Particulars	In ₹	
	31/03/2019	31/03/2018
Preliminary & Pre-operative Exp.	10024.00	15036.00
	<b>10024.00</b>	<b>15036.00</b>

### 3.6 Revenue from operations

Particulars	In ₹	
	31/03/2019	31/03/2018
<b>Sale of Products</b>		
<b>Traded Goods</b>		
Gross Revenue from sales	1185818825.00	969888802.00
	<b>1185818825.00</b>	<b>969888802.00</b>

### 3.7 Other income

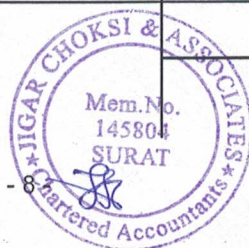
Particulars	In ₹	
	31/03/2019	31/03/2018
<b>Interest</b>		
F.D. Interest	796783.00	665594.00
INTEREST ON DEPOSIT WITH CO.	41897.00	0.00
<b>Profit(Loss) on Redemption / Sale of Investment &amp; Fixed Assets (Net)</b>		
PROFIT ON SALE OF VEHICLES	709.00	2414.00
<b>Miscellaneous</b>		
Sales Promotion Incentive	55288458.00	22944399.00
Kasar Vatav	0.00	(19.00)
	<b>56127847.00</b>	<b>23612388.00</b>

### 3.8 Purchases of Stock-in-Trade

Particulars	In ₹	
	31/03/2019	31/03/2018
<b>Stock in Trade</b>		
Purchases of Stock in Trade	1230133004.00	1001133992.00
	<b>1230133004.00</b>	<b>1001133992.00</b>

### 3.9 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	In ₹	
	31/03/2019	31/03/2018
<b>Opening</b>		
Stock in Trade	81528392.00	42642872.00
	<b>81528392.00</b>	<b>42642872.00</b>
<b>Closing</b>		
Stock in Trade	102774055.00	81528392.00



Increase/Decrease Stock in Trade	102774055.00	81528392.00
	(21245663.00)	(38885520.00)
	(21245663.00)	(38885520.00)

#### Details of Changes in Inventory

Particulars	31/03/2019	31/03/2018
<b>Stock in Trade</b>		
Trading stock	(21245663.00)	(38885520.00)
	(21245663.00)	(38885520.00)

#### 4.0 Employee benefits expense

In ₹

Particulars	31/03/2019	31/03/2018
<b>Salary, Wages &amp; Bonus</b>		
Salary	6881452.00	7774902.00
	6881452.00	7774902.00

#### 4.1 Finance costs

In ₹

Particulars	31/03/2019	31/03/2018
<b>Interest Expenses</b>		
Interest Expenses		
Bank Interest	12798043.00	8888813.00
<b>Bank Charges</b>		
Bank Charges	161567.00	177839.00
<b>Other Interest Charges</b>		
Interest on TDS	0.00	67470.00
Interest On Vat	0.00	4100.00
<b>Finance Charges</b>		
Other Finance Charges		
bank commission	0.00	160000.00
processing fees	0.00	494828.00
	12959610.00	9793050.00

#### 4.2 Depreciation and amortisation expense

In ₹

Particulars	31/03/2019	31/03/2018
<b>Depreciation &amp; Amortisation</b>		
Depreciation Tangible Assets	248871.00	298587.00
	248871.00	298587.00

#### 4.3 Other expenses

In ₹

Particulars	31/03/2019	31/03/2018
<b>Manufacturing Service Costs Expenses</b>		
<b>Power and Fuel</b>		
Delivery Oil & Fuel Exp.	173529.00	230980.00
<b>Frieght And Forwarding Charges</b>		
Other Transporting Expenses	290704.00	45267.00
<b>Administrative and General Expenses</b>		
<b>Telephone Postage</b>		
Telephone Expenses	8348.00	11650.00
Courier Exps	0.00	6165.00
<b>Printing Stationery</b>		
XEROX EXP	3331.00	10010.00
PRINTING & STATIONERY	22663.00	68347.00
<b>Rent Rates And taxes</b>		
Rent	35494.00	422740.00
Toll tax	1165.00	240.00
Municipal Tax	83250.00	91284.00
Professional Tax	0.00	6230.00
<b>Auditors Remuneration</b>		
Audit Fees	50000.00	110985.00
<b>Managerial Remuneration</b>		
Salary To Director	1800000.00	3200000.00
<b>Repairs Maintenance Expenses</b>		
Repair and Maintenance	36615.00	156309.00



Vehicle Repairing	32151.00	98911.00
Computer Repairing	16421.00	68778.00
<b>Electricity Expenses</b>		
Electric Exp.	65373.00	133433.00
<b>Travelling Conveyance</b>		
Travelling Exp.	316634.00	245451.00
Conveyance & Petrol Exp.	0.00	1420.00
<b>Legal and Professional Charges</b>		
Legal Exp.	955350.00	77120.00
<b>Insurance Expenses</b>		
Insurance	1835107.00	580820.00
<b>Information Technology Expenses</b>		
Internet charges	11000.00	18987.00
<b>Registration and Filing Fees</b>		
Stamping Exp.	720.00	405995.00
ROC filling fees	0.00	141200.00
<b>Other Administrative and General Expenses</b>		
Office Exp.	78909.00	166773.00
Misc. Exp.	3412.00	69620.00
Food & Stay Exps	1098.00	14437.00
Packing Material Exps	0.00	900.00
<b>Selling Distribution Expenses</b>		
<b>Advertising Promotional Expenses</b>		
Advertising Exps	130000.00	156188.00
<b>Other Selling Distribution Expenses</b>		
SALES DISCOUNT	22535.00	0.00
<b>Write off Assets and Liabilities</b>		
<b>Sundry Expenses Written Off</b>		
Preliminary Expenses Writtenoff	5012.00	5012.00
	<b>5978821.00</b>	<b>6545252.00</b>

#### 4.4 Tax expense

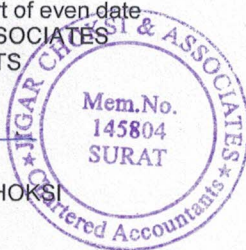
Particulars	In ₹	
	31/03/2019	31/03/2018
<b>Current tax</b>		
ADVANCE TAX	1250000.00	1100000.00
Income tax	0.00	842000.00
<b>Deferred tax</b>		
Deferred tax	(6674.00)	(24180.00)
	<b>1243326.00</b>	<b>1917820.00</b>

#### 4.5 Earnings per equity share

Particulars	In ₹	
	31/03/2019	31/03/2018
<b>Earnings Per Equity Share</b>		
<b>Basic</b>		
Basic EPS Before Extra Ordinary Item	1.15	1.04
<b>Diluted</b>		
Diluted EPS Before Extra Ordinary Item	1.15	1.04
<b>Number of Shares used in computing EPS</b>		
Basic	4990000	4750000
Diluted	4990000	4750000

In terms of our attached report of even date  
For JIGAR CHOKSI AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 0133597W

Jigar Choksi  
JIGAR SATISHCHANDRA CHOKSI  
(PROPRIETOR)



For HP TELECOM INDIA PRIVATE LIMITED

Sangita Bharatlal  
YADAV  
(DIRECTOR)  
(DIN : 08092311)

Jitendra Bachubhai  
RAJPARA  
(DIRECTOR)  
(DIN : 08200060)

Place : Surat

Date : 24/09/2019



## 1. Significant Accounting Policies:

### Basis of preparation:

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956/2013. The financial statements have been prepared under the historical cost convention on an accrual basis and going concern basis. The accounting policies have been consistently applied by the company are consistent with those used in the previous year.

### Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

## 2. Tangible Fixed Assets:

- Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- Borrowing costs relating to acquisition of tangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

## 3. Intangible Fixed Assets:

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

## 4. Impairment of Assets:

- The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price 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 risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

- After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### 5. Depreciation and Amortisation:

Depreciation on the fixed assets is provided under straight-line method as per the rates prescribed in

Schedule XIV to the Companies Act, 1956 or at rates permissible under applicable local laws so as to charge off the cost of assets to the Statement of Profit and Loss over their estimated useful life, except on the following categories of assets:

- (i) Assets costing up to ` Rs5, 000/- are fully depreciated in the year of acquisition.
- (ii) Leasehold land and leasehold improvements are amortised over the primary period of lease.
- (iii) Intangible assets are amortised over their useful life of 5 years.

#### 6. Investments:

- Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.
- Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long term investments.
- On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### 7. Employee Benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and Compensated absences.



## 8. Inventories:

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

## 9. Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

## 10. Revenue Recognition:

### Revenue from Operations

- Sale and operating income includes sale of products, services, profit from partnership firms, income from job work services, export incentives, etc.
- Sale of goods are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.
- Sale of services are recognised when services are rendered and related costs are incurred.
- Profit from partnership firms which are in the same line of operation is considered as operating Income.
- Revenue from job work services is recognised based on the services rendered in accordance with the
- terms of contracts.
- Export benefit are accounted for in the year of exports based on eligibility and when there is no
- Uncertainty in receiving the same.

### Other income

- Interest income is recognised on time proportion basis taking into account the amount outstanding
- and the rate applicable.
- Dividend income is recognised when right to receive is established.
- Rent income is booked as per terms of contracts.



## 11. Taxation:

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

- Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws
- Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the situations where the Company is entitled to a tax holiday under the Income realized against future taxable profits. In the situations where the Company is entitled to a tax holiday under the Income tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.
- At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.



- **Minimum Alternative tax (MAT) credit** is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes down the carrying amount of the MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

## 12. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

## 13. Provisions:

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## 14. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably, the Company does not recognize a contingent liability but discloses its existence in the financial statements.

## 15. Cash and cash equivalent:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks with an original maturity of three months or less.

