HPL Electric & Power Ltd
Corporate Office : Windsor Business Park, B-1D, Sector-10, Noida, U.P. - 201301, INDIA. Tel.: +91-120-4656300
E-mail : hpl@hplindia.com
CIN No. : U74899DL1992PLC048945

October 3, 2017

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza", C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: HPL

BSE Limited
25th Floor, New Trading Ring,
Rotunda Building, Phiroze
Jeejeebhoy Towers, Dalal Street,
Fort,
Mumbai – 400 001
Scrip Code: 540136

Sub:- Annual Report 2016-17 of HPL Electric & Power Limited

Dear Sir,

In reference with the captioned subject, we are submitting herewith the Annual Report for the Financial Year 2016-17 which has been approved and adopted in the 25th Annual General Meeting of HPL Electric & Power Limited held on 28th September, 2017, in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your kind information and record.

Thanking You

Yours Faithfully
For HPL ELECTRIC & POWER LIMITED

Vivek Kumar
Company Secretary

HPL ELECTRIC & POWER LTD. 1/21 Asaf Ali Road New Delhi-110002

Encl: As above

HPL Electric & Power Limited



Ready. Connect. Grow.

Annual Report 2016-17

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Corporate Information

BOARD OF DIRECTORS

Mr. Lalit Seth
Chairman and Managing Director

Mr. Rishi Seth
Jt. Managing Director

Mr. Gautam Seth
Jt. Managing Director

Mr. Chandra Prakash Jain
Whole-time Director

Mr. Vinod Ratan Gupta
Whole-time Director

Mr. Jatinder Singh Sabharwal
Independent Director

Mrs. Madhu Bala Nath
Independent Director

Mr. Tarun Sehgal
Independent Director

Mr. Jainul Haque
Independent Director

Mr. Virender Kumar Bajaj
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Sudhir Barik

COMPANY SECRETARY

Mr. Vivek Kumar

CORPORATE IDENTIFICATION NO. (CIN)

U74899DL1992PLC048945

REGISTERED & CORPORATE OFFICE

Registered Office: 1/21,
Asaf Ali Road, New Delhi - 110 002
Tel.: +91-11-23234411
Fax: +91-11-23232639

Corporate Office: Windsor Business Park, B-1D, Sector - 10,
Noida- 201 301 (UP)
Email: hpl@hplindia.com
Website: www.hplindia.com

STATUTORY AUDITORS

M/s. Sahni Mehra & Co.
Chartered Accountants, New Delhi

INTERNAL AUDITORS

PricewaterhouseCoopers
Private Limited (PwC)
Chartered Accountants, New Delhi

COST AUDITORS

M/s. Bikram Jain & Associates
Cost Accountants, New Delhi

SECRETARIAL AUDITORS

M/s. AVA Associates
Practising Company Secretaries
New Delhi

BANKERS/LENDERS

State Bank of India
Oriental Bank of Commerce,
IDBI Bank Ltd.
DBS Bank Ltd.
IndusInd Bank Ltd.
Axis Bank Ltd.
HDFC Bank Ltd.
Karnataka Bank Ltd.
ICICI Bank Ltd.
Canara Bank
RBL Bank Ltd.
Bank of Bahrain & Kuwait B.S.C.

WORKS

- Plot No. 132-133, Pace City-I, Sector -37, Gurgaon, Haryana
- Plot No. 357-Q, , Pace City-II, Sector-37, Gurgaon, Haryana
- Vill: Shavela, P.O. Jabli, Distt. Solan, Himachal Pradesh
- Vill: Bigan, Dhaturi Road, Tehsil Gannaur, Sonepat, Haryana
- Plot No. 76-B, Phase IV, Sector-57, HSIIDC Industrial Area, Kundli - 131 028 Sonepat, Haryana
- Main GT Karnal Road, Village-Bastawa, Tehsil Gharonda, District- Karnal, Haryana
- Ward No.6, Pachim Boragoan, Guwahati - 781 033 District, Kamrup Assam

REGISTRAR & TRANSFER AGENT

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Toll Free No. : 1800-345-4001
Fax: 040-23001153
Email: einward.ris@karvy.com
Website: www.karvy.com

The last three years have brought about a paradigm shift in the trajectory of positivity, performance and potential in India. India today stands more confident and empowered. India today has become the cynosure of global nations for its high economic growth and bold measures. India today is inspiring. India today firmly believes that tomorrow belongs to them. India today is energised.





We are also happy to directly participate in this nation-building efforts of New India specifically through the 24x7 – 'Power for All'.

The confidence of this growth and optimism finds roots in the proactive radical reforms launched under the leadership of our Honourable Prime Minister Shri Narendra Modi.

From infusing the urgency to imbibe the highest standard of governance across the nation to driving fast-paced and sweeping transformation through humongous projects;

From launching far-reaching reforms in infrastructure sector that go beyond just roads and highways to taking the growth opportunities to tier 2 and tier 3 cities and building new smart cities;

From providing significant thrust to India's manufacturing sector through 'Make in India' to working towards making India a nation of job creators rather than job seekers through 'Startup India';

From the major digitisation push and unfurling of various inclusive measures that enables every Indian to unleash their true potential to bringing everyone together on the mission of 'Clean India' under the 'Swacch Bharat Abhiyaan'; India today is truly on the path of all-round development which promises to revitalise and reinvigorate our nation completely in the years to come.

At HPL, we are immensely pleased to witness the launch of these transformational programmes. We are also happy to directly participate in this nation-building efforts of New India specifically through the 24x7 – 'Power for All' project and the Smart Cities project. 'Power for All' – a joint initiative between the Central and State government to provide 24x7 power supply across the country by 2019 - promises to energise India.

As India's most trusted and reliable brand in the electrical space, we are delighted to be electrifying this energised India and move in step with the nation's growth agenda.

Welcome to HPL Electric & Power Ltd

HPL Electric & Power Ltd ("HPL") is India's leading electric equipment manufacturer with a formidable presence across four key verticals: Metering Solutions, Switchgears, Lighting Equipment and Wires & Cables.

Our backward integrated facilities have capabilities across product design and development, component designing, tool manufacturing and commercial production. An established brand with a proven track record of over four decades.

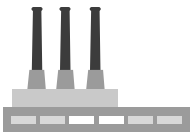
HPL enjoys strong recall across various customer segments. Through our innovative offerings,certified to conform to Indian and International standards such as ISI, CE and KEMA, we are proud to partner emerging India's electrical requirements.

The Company was listed on the Indian bourses in October 2016.



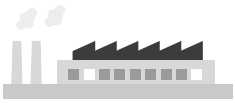
Gharaunda Facility, Karnal

HPL is well-placed to seize emerging opportunities



40+
years experience in manufacturing

7
State-of-the-art manufacturing facilities



2
R&D centres

90+
Branch & representative offices

21
Warehouses across India & Union Territories



1,900+
Workforce

100+
Engineers engaged in R&D

600+
Employees engaged in brand building



2,000+
Dealers & Distributors

27,000+
Retailers

HPL is India's most trusted & preferred electrical brand



20%
Market Share Electronic energy meters



50%
Market Share On-load changeover switches



5%
Market Share Low-voltage switch gears

5th* largest LED manufacturer



Diversified customer base for broader reach

>> Residential & Commercial Users
>> Public & Private Enterprises
>> City Infrastructures
>> Power Utilities
>> International Markets

*Frost and Sullivan, Feb 2016

Our journey so far



Commencement of operations at our facility in Guwahati

Listing of the Company on the Indian bourses

Himachal Energy Pvt Ltd. became 97.15% subsidiary of the Company

2017

2016



Commencement of the production of wires and cables at our facility at Gharaunda, Haryana

Conversion of our Company into a public limited company



Commencement of manufacture of LED products

Settlement with Socomec pursuant to which our promoter and promoter group acquired the entire shareholding of Socomec in our Company

2014

2015



Commencement of production and manufacture of switchgears at our facility at Kundli, Haryana





Commencement of production and manufacture of meters at our second facility at Gurgaon, Haryana

Change of name of our Company from HPL-Socomec Private Limited to HPL Electric & Power Private Limited

2011

2010



HPTL Scheme of Amalgamation pursuant to which our Company acquired the lighting equipment business

Commencement of production and manufacture of lighting equipment at our facility at Sonepat, Haryana

2008

Commencement of production of electronic/static energy meters at our facility at Gurgaon, Haryana

Incorporation of our Company under the Companies Act 1956

1998

1992

One-stop shop for low voltage electrical equipment

PRODUCT PORTFOLIO

Metering Solutions

HT Meter



Multi Function Meter



Long Range Meter



Emfis



Switchgears

Industrial Applications

ACB



MCCB



Changeover Switch



Domestic Applications

Techno MCB



RCCB



Modular Switch & Accessories

Toggle Switches



Plug Sockets



Push Bells



Lighting Equipment

Consumer LED Products

Aries LED

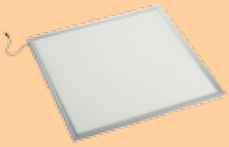


LED Glow 9W



Commercial LED Products

Mitered



CRCA Panel



Outdoor LED Products

Street Light



LED Flood Light



Wires and Cables

Fire Resistant Cables



Co-axial Cables



Solar Cables



Networking & Data Cables



SUB-BRANDS

intelliPROTECT intelligent protection RANGE

smART ART MEETS STATE-OF-THE-ART

SMARTERS ACCESSORIES BY HPL

HPL RAKSHAK MCB

HPL TECHNO

TUFF SOLO SWITCHES

emfis

Pathlite

Key strengths

Integrated manufacturing facilities

Located across North India in the states of Haryana, Himachal Pradesh and Guwahati, we have seven state-of-the-art manufacturing capabilities. These are equipped to manufacture customised products for institutional customers and undertake modifications in products for OEMs and other corporate customers as well as for the retail consumers. We manufacture all our products in-house, as well as several components used therein.



Manufacturing products and the parts

Inputs such as sheet metal components, copper components and industrial plastic moulded components are also made within the HPL facilities, reinforcing our quality edge.



In-house R&D & Testing Centre

Our infrastructure is designed to facilitate innovation and constant technology upgrade in our products and processes. It includes two research and development centres and one facility for pilot testing.

The R&D centres are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. Keeping pace with the velocity of change, the R&D team, comprising over 100 engineers, is constantly focussed on developing cutting-edge solutions to meet the varied and evolving requirements of our customers. Our testing facility is NABL accredited and ISO/IEC 17025:2005 compliant.

Tool-making facility

We have two Tool Rooms at our R&D Centres for rapid prototyping and component designing for a complete range of MCBs, MCCBs, meters, changeover switches, switch fuse units, LED lamps and CFLs. The use of CNC machines and CAD software in the facility ensure accuracy and quality of the tools produced therein. Our Tool Rooms allow us to easily adapt to changes in technology or modified specifications given by power utilities and/or institutional customers.

Robust retail network and brand visibility

We have established an extensive distribution network of 90+ branch & representative offices, 2,000+ dealers & distributors and 27,000+ retailers, which enables us to effectively capture the burgeoning opportunities in the electrical equipment industry. A clear brand connect strategy is in place to enhance our market share and reach.

Over 600 employees are engaged in promotional and brand-building activities for our products. Below-the-line (BTL) activities such as retail branding, social media marketing, outdoor marketing and international campaigns are being pursued to increase brand recall. We are further strengthening our brand visibility through consistent promotional activities, incentivising our dealers and aggressively reaching out to more dealers and retailers. Going forward, plans are on the anvil to engage with our customers through mass media advertising.

Extensive experience

HPL is led by an experienced and competent team at the helm. With over 40 years of domain experience, the promoters have built credibility and established a legacy with which we forge strong and lasting relationships with our customers. The senior management team has an average experience of more than 20 years, contributing significantly to achieving our organisational objectives.

Established relationships

Our long-standing associations with institutional customers, power utilities and governmental agencies across India place us at a vantage point to capture emerging opportunities. Further, the threat to competition is reduced greatly in technologically-advanced products like metering and switchgear as we have established formidable barriers to entry through our high-end processes and solutions.

Strong pre-qualification credentials

We work with power utilities and government agencies pursuant to direct contractual arrangements, obtained through a bidding process, requiring certain pre-qualification requirements. HPL meets all pre-qualification credentials including past experience, technical requirements, quality and safety compliances, financial strength, price competitiveness.

Board of Directors



Mr. Gautam Seth
Joint Managing Director

With over 20 years of experience in the field of electrical industry, Mr. Gautam Seth has carried forward the Group with pure dedication and commitment. As a Joint Managing Director of the Company, he has been involved foremost in the Group's sales and marketing activities and has spearheaded the Group's various forays into new products and greenfield projects.

A strong vision, exemplary leadership and expertise in the electrical market have enabled him to lead HPL towards the success path. Mr. Gautam Seth is a qualified Chartered Accountant and is responsible for the overall functioning and management of the administration.

Mr. Lalit Seth
Chairman and Managing Director

Mr. Lalit Seth is the vision behind HPL's success and reputation in the market today. With more than 47 years of experience in the Electrical Industry, he has been responsible for a series of progressive projects with HPL Group. Under his inspiring leadership and dynamic approach, HPL stands tall in the Electrical Market segment both in India and abroad. Today, HPL's name is synonymous with Quality, Technology and Reliability in the market all over the globe.

Mr. Rishi Seth
Joint Managing Director

An MBA in Finance with more than 22 years of experience, Mr. Rishi Seth is a man of sharp vision. As the Joint Managing Director, he has been instrumental in HPL Group's organic growth and is responsible for shaping the strategic perspective that has led to the diversification and expansion of HPL into new avenues including EPC projects. He looks after the Institutional and Government business in addition to a few manufacturing facilities. He has also been instrumental in the Company's foray into green projects. His major achievement includes HPL's growth into utility segment, making the Group stand tall as the largest Electronic Energy Meter manufacturer in India and among the largest in the world.



Mr. Chandra Prakash Jain
Whole-Time Director

A Qualified Electrical Engineer and an MBA with 30 years of experience in manufacturing Electrical & Electronic products, Mr. C. P. Jain is on Board of Directors of the Company. He has been an important pillar in Company's growth with his sharp vision and exemplary leadership. In addition to his corporate responsibilities, he heads the R&D centres and the Electronic Meter Division. He was the Chairman of the prestigious IEEMA meter division for the year 2013-14.



Mr. Virender Kumar Bajaj
Non-Executive Independent Director

Mr. Virender Kumar Bajaj holds a Bachelor's degree in Commerce (Honours) from University of Delhi and Master's degree in Commerce from Himachal Pradesh University. He is also a certified associate of the Indian Institute of Bankers. He has over 33 years of experience in the field of banking. Prior to joining our Board on January 14, 2016, he worked with Axis Bank Limited, UTI Bank Limited and the State Bank of India. He retired from Axis Bank Ltd. as President (Internal Audit & Vigilance).



Mr. Jatinder Singh Sabharwal
Non-Executive Independent Director

Mr. Jatinder Singh Sabharwal holds a Bachelor's degree in science from the University of Delhi and has completed a program for senior executives from the Sloan School of Management, Massachusetts Institute of Technology, United States. He has over 30 years of experience in the field of sales and in management. Prior to joining our Board on January 14, 2016, he worked with Blue Dart Express Limited as CEO and Brooke Bond India Limited as CEO & Managing Director.



Mr. Tarun Sehgal
Non-Executive Independent Director

Mr. Tarun Sehgal is a qualified Canadian chartered professional accountant. He worked as deputy resident representative-Operations (DRR/O) in large United Nations Development Programme (UNDP) offices of Ethiopia and Bangladesh. Demonstrated National Executions (NEX) experience. As senior Financial Officer, BFA he has worked on issues concerning financial policy, Executive Board and dealt with Internal/External Auditors. He has a work experience in 2 of the "Big 5" International Accounting Firms. He joined our Board on January 14, 2016.



Mr. Vinod Ratan Gupta
Whole-Time Director

Mr. Vinod Ratan Gupta holds a bachelor's degree in science from University of Delhi. He is also a qualified Chartered Accountant. He has over 34 years of experience.



Mr. Jainul Haque
Non-Executive Independent Director

Mr. Jainul Haque holds a Bachelor's degree in Mechanical Engineering. He has over 37 years of experience in the field of electrical industry. Prior to joining our Board on January 14, 2016, he was associated with large PSUs including Power Grid Corporation of India Ltd. (POWERGRID), National Thermal Power Corporation Ltd. (NTPC), National Aluminium Company Ltd.-Captive Power Plants (NALCO-CPP) etc. as senior/top managerial positions.



Mrs. Madhu Bala Nath
Non-Executive Independent Director

Mrs. Madhu Bala Nath holds a Bachelor's degree in education and a Master's degree in arts from the University of Delhi. She has over 34 years of experience in social service. Prior to joining our Board on January 14, 2016, she worked with the United Nations under various organisations in different capacities. She is an active consultant of gender equality, women empowerment, women development and HIV/AIDS since long.



Chairman's Message

With the electricity equipment industry estimated for buoyant growth at a CAGR of 8-12% between 2016 and 2020, the macro-conditions are highly conducive for realising our ambitious revenue target.



India today is not only determined to occupy its rightful place in the global arena but is also expected to be a key engine of global growth.



Dear Shareholders,

On behalf of the Board of Directors and the Management of the Company, it is indeed a privilege to present before you the maiden Annual Report of HPL Electric & Power Limited after our successful listing. We thank you for the support you have reposed in our Company and assure you that growth is at the core of our strategic goals. We have immense clarity in how this growth can be achieved and are confident of realising our overarching vision and objectives, details of which we shall share later in our letter.

Under the leadership of our Honourable Prime Minister Shri Narendra Modi and the various initiatives undertaken by the government, India is poised for rapid growth and development. India today is not only determined to occupy its rightful place in the global arena but is also expected to be a key engine of global growth. It is against this backdrop of an energised India that we see exciting opportunities and responsibilities in the coming years for HPL towards electrifying the nation, and against which we are proud to share the Company's performance for the year gone by.

Year in Review

While the underlying fundamentals for the electrical equipment industry remain robust, demand remained sluggish in FY 2016-17, delay in finalisation of orders by utilities lowered the demand for metering solutions. In the lighting business, we made a voluntary decision of not bidding for projects awarded under the government's EESL scheme due to fall in prices and very low margins. Also, the transitory impact of demonetisation affected our B2C business. As a result of these headwinds, largely beyond our control, total revenue stood at ₹ 926.48 crore on a standalone basis in FY 2016-17 as compared to ₹ 1,115.26 crore in the previous year. We however, believe that this is a small aberration in our strong track record of sustained growth over the past three decades.

A key highlight of the year was that we recorded good volume growth in the LED lighting solutions space. In another landmark development, your Company secured its first Smart City Lighting project for the city of Bhopal. With very few companies having the technology required for such projects, we remain upbeat that we shall we able to secure further orders under the Smart Cities Mission, as and when more projects get underway.

Strengthening our manufacturing capabilities, a new plant set-up at Guwahati commenced operations towards the end of the year. This facility will enable us to avail various tax benefits as well as gain easier access to the North Eastern Indian market.

Initial Public Offering of ₹ 361 Crore

Our Initial Public Offering (IPO) in September 2016 was oversubscribed by nearly nine times, and we got listed on the BSE and NSE.

Our Business Strategy

At the start of this letter, we mentioned that HPL has a clear growth strategy and a strong commitment to realising those ambitions. With the electricity equipment industry estimated for buoyant growth at a CAGR of 8-12% between 2016 and 2020, the macro-conditions are highly conducive for realising our ambitious revenue target. Expanding our product range with value-added products, growing our distribution network and enhancing our brand visibility, we aim to garner a significant pie of the demand for electrical equipment. Leveraging our backward integrated facilities, we will continue to drive product and process innovation to provide customers with the best-in-class technology at cost-effective prices and, at the same time, retain our margins.

Cognisant that the B2B business is capital intensive and more cyclical vis-à-vis B2C business, we are also focussing on the trade segment. Aligned to this, plans are on the anvil to step up our branding efforts by foraying into mass media advertising. With a view to reducing receivables from our trade debtors, we have already begun the process of facilitating channel financing.

Outlook

Government thrust on the infrastructure creation through various initiatives such as Smart City Mission, Affordable Housing, DDUGJY, IPDS and UDAY has set the ball rolling for accelerated demand for electrical equipment. Revival in the real estate sector, thrust on renewable energy, recovery in the private capex cycle are other developments that open up exciting prospects for your Company. We remain confident that driven by our strengths, we shall be able to capitalise on these burgeoning opportunities and deliver greater value.

We are pleased to share that tenders issued by power utilities have gained traction in the second half of FY2016-17. On the back of our strong prequalification credentials, we remain optimistic of garnering key institutional contracts. As on March 31, 2017, our order book stood at ₹285.4 crore, providing robust revenue visibility.

The implementation of the GST is also likely to benefit HPL. Apart from ending cost-arbitrage available to unorganised players, the smoother inter-state goods transport under GST will enable us to lower working capital cycle.

The Company successfully raised ₹361 crore through IPO.



14

Conclusion

As we move ahead on our growth trajectory, we remain grateful for the support of our stakeholders, including Central and State government bodies, customers, bankers, investors, creditors and dealers. We aim to earn your continued trust every day. We would also like to take this opportunity to thank our employees whose skills and commitment enable our achievements. We look forward to sharing our success with you as we realise the goals we have set for ourselves.

At the start of this letter, we mentioned that HPL has a clear growth strategy and a strong commitment to realising those ambitions.



Gurgaon Facility, Haryana

Financial Highlights

Net Revenue

(₹ in Crore)

2016-17	926.48
2015-16	1,115.26

EBITDA

(₹ in Crore)

2016-17	108.40
2015-16	141.56

EBITDA Margin (%)

2016-17	11.70 %
2015-16	12.69%

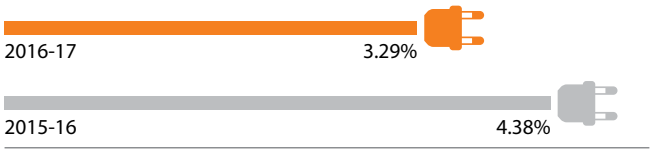
Profit (before tax and exceptional items)

(₹ in Crore)

2016-17	30.52
2015-16	48.82

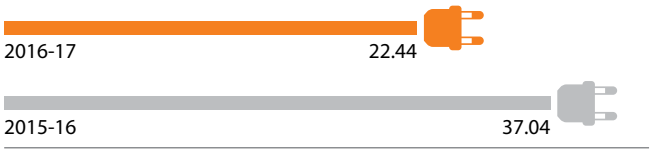


PBT as % to Net Revenue

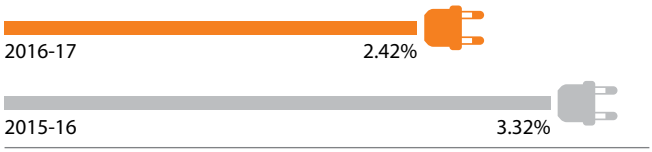


Profit after Tax

(₹ in Crore)

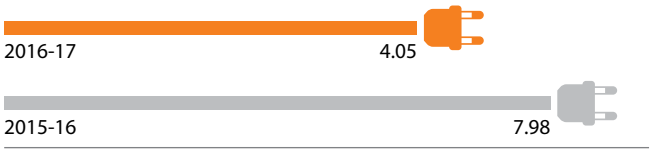


PAT as % to Net Revenue



Earnings Per Share

(in ₹)





Jabli Facility, Himachal Pradesh

Boosting Electrification Through Smart Metering Solutions

A device for measuring the electric energy consumption used by a residence, business, or an electrically-powered device, electricity meters are used everywhere – no matter how big or small the electric consumption is. With 20% market share, HPL is the established market leader for electric meters in India. Leveraging our manufacturing and R&D capabilities, we are committed to launching innovative metering solutions that match the requirements of emerging India, and extend the advantage we enjoy in this segment.

Smart City Mission

Unlocking huge opportunity for smart meters



3,000 Crore

Size of India's electricity meters market

3.5 Crore*

Smart meters to be installed across the country by 2019

11.5%

Projected CAGR of market for electricity meters during FY 2016-20

80%

Market share of organised players

What are Smart Meters?

The technology deployed in smart electricity meters is aimed at providing a more instantaneous and intelligible system to calculate electricity usage. Fitted with smart energy monitors, it enables users to understand their electricity consumption pattern – what time, which facilities and how much each one costs. Through direct linkage with the energy supplier, meter readings are sent in real-time digitally to the user, which ensures more accurate energy bills for customers.

** Source: F&S*

THE HPL EDGE

Sound customer relationships

The Metering vertical of HPL is largely a B2B business with around 85% of the sales made to power utilities. We have been supplying to almost every state utility over the past couple of years and even to central utilities. This strong relationship places us in good stead to benefit from the expected increase in demand of meters given the government's focussed agenda to improve the power sector.

Comprehensive portfolio

We have a wide product range to meet varied industrial, commercial and residential applications.

Strong credentials

Our strong prequalification credentials give us a competitive edge in retaining as well as growing our businesses. The specifications and standard for smart meters ((IS 16444) notified by the government have already been matched by us.

Continuous R&D

Driven by the objective of being ahead of the curve through offering innovative solutions, we emphasise on continuous R&D. This enables us to bring to the market metering solutions fitted with latest technologies and thus win more customers. Further, till such technologies are offered by other players in the market, which usually takes around a year and a half, it enables us to enjoy greater margins in the business.

Quality and cost control

Backward integrated manufacturing operations enable us to launch innovative products with improved features while maintaining a strict check on quality and operational costs.

Electrifying India through integrated solutions

Combining software with products to enable automation and communication, we have launched Prepaid Meters and Smart Meters with tamper-proof features.

OPERATIONAL HIGHLIGHTS

- 44.05% of the total revenue earned in FY 2017 is attributable to the metering segment.
- The metering orders entered into a growth trajectory in the second half of the financial year with an improved phase of tendering after a slow take-off of orders in the first-half of the financial year.
- Metering sales declined year-on-year in FY 2017 due to lower take-off of metering orders by utilities.
- As of March 31, 2017, metering business has an order book worth ₹199 crore.

SEGMENT OUTLOOK

The attractive discom (state power distribution companies) revival package called UDAY binds the state and the discoms to deploy smart meters and other related measures to reduce power pilferage and improve operational efficiencies. As of date, 27 states have joined the UDAY scheme and state utilities are focussing on smart metering to improve grid infrastructure. Deen Dayal Upadhaya Gram Jyoti Yojna and Integrated Power Development Scheme are among the other government schemes likely to provide an impetus to the meter market.The100 Smart Cities project is also projected to pave the way for a robust demand for smart meters. The strong thrust on the 'Make in India' campaign is anticipated to incentivise the industrial segment, leading to higher power consumption and thereby higher demand for meters. The government's push to solar power projects should fuel the demand for solar net meters.

As an established leader in the industry and aided by our competitive strengths, we are excited and energised to significantly scale our growth in light of the attractive market opportunities. Further, we already have the technology for smart meters and solar net meters and are well-poised to make inroads in this attractive category as and when opportunities fully unfold.

Electrification for every Home through Comprehensive Switchgear Range

Switchgears consists of a wide range of products such as circuit breakers, switches, switch fuse units, etc. that are used for switching, controlling and protecting the electrical circuits and equipment. We are one of the oldest manufacturers of LV switchgear in India and enjoy supremacy in the changeover switches category, commanding nearly 50% market share. Overall, we have a 5% market share in LV switchgears. By reinforcing our distribution network, we are gearing up to seize new opportunities given the government's focus on housing.

Housing and renewable energy sectors to propel market growth

7,609 Crore
Estimated size of India's switchgear market in 2020



6.1%
Projected CAGR of market for switchgears in India during FY 2016-20

THE HPL EDGE

Strong distribution network

Our extensive distribution network enables us to penetrate deeper into the market and tap the growing market opportunities. We are pursuing a focussed policy of reaching out to more dealers and distributors across the country, especially in tier 2 and tier 3 cities. We are further driving dealer connect by facilitating dealer and channel financing.

High brand visibility

Our switchgear business is largely a B2C sales model. At HPL, we have created considerable brand awareness by conducting a wide range of BTL activities. We are continually stepping up our efforts to strengthen brand connect by augmenting our marketing and brand promotion activities. In FY 2016-17, we have spent ₹11 to 14 crore towards BTL activities and other related advertising spends. This translates to 1.8% to 2% of our non utility sales. Our concerted efforts in brand-building have enabled us to create top-of-the-mind recall for our products and customer loyalty.



Electrifying India through innovative products

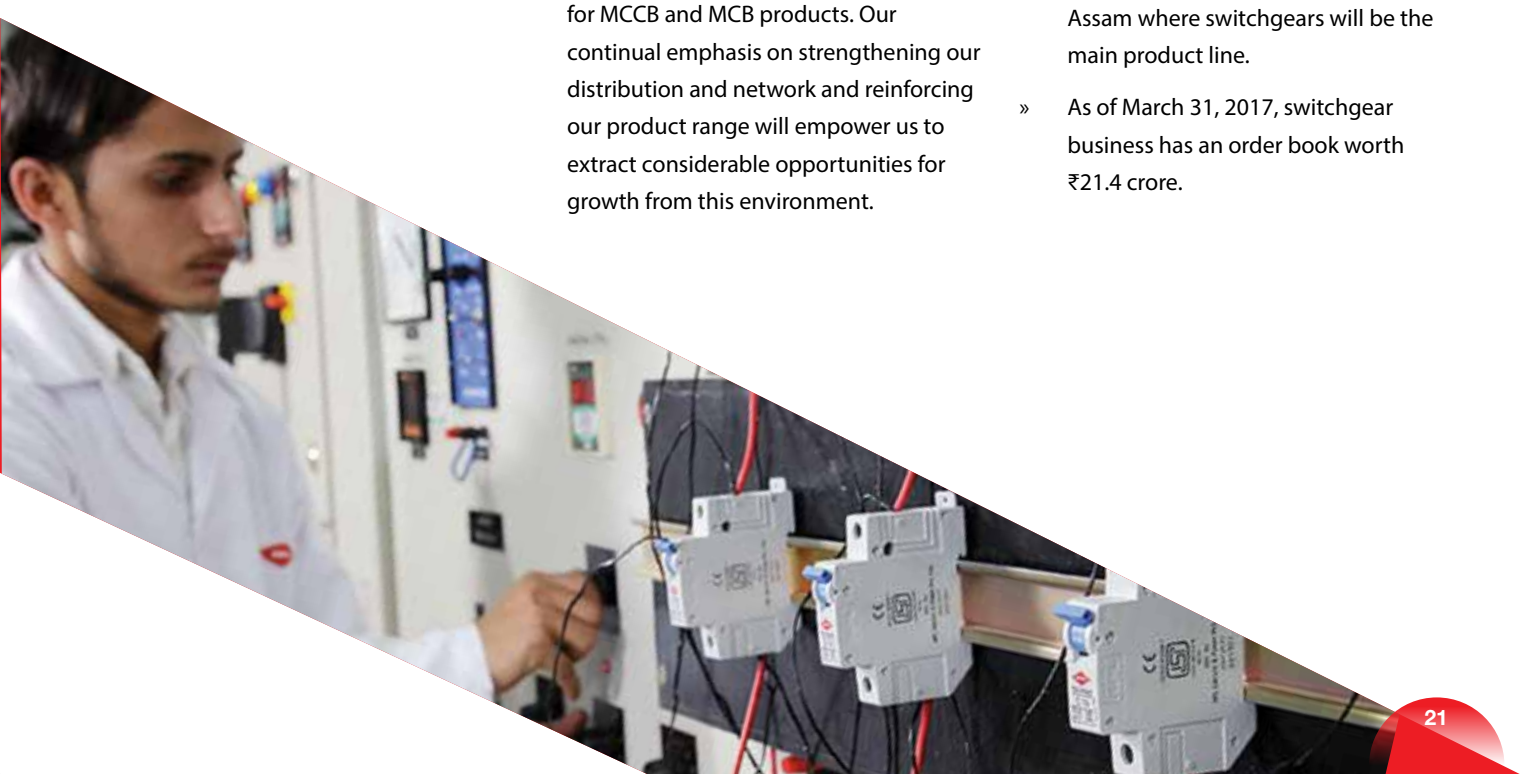
The Elmo Modular Switch recently launched by us is made from fire retardant UV stabilised engineering plastic.

SEGMENT OUTLOOK

The Pradhan Mantri Awas Yojana (Housing for All) Scheme, passing of the Real Estate Regulation Act (RERA) and the Smart Cities Mission are all positive development in the residential space. With the housing sector expected to be on a more solid footing, the demand for switchgears from the residential segment should see a marked increase. Government initiatives and reforms for expansion and development of the transmission and distribution network, power capacity augmentation and rural electrification, such as IPDS and DDUGJY, are expected to fuel the demand of switchgears from power utilities and institutional customers. According to Niti Aayog, the government is planning to reach a renewable energy capacity of 175 GW by 2022 . This thrust on renewable energy should drive the demand for LV switchgear, especially for MCCB and MCB products. Our continual emphasis on strengthening our distribution and network and reinforcing our product range will empower us to extract considerable opportunities for growth from this environment.

OPERATIONAL HIGHLIGHTS

- 19.13% of the total revenue earned in FY 2017 is attributable to the switchgear segment.
- While switchgear sales marginally declined year-on-year, margin witnessed improvement from 20.8% to 23.1% in FY 2017 due to better product mix.
- Commenced commercial production in March 2017 at the newly set-up manufacturing plant at Guwahati, Assam where switchgears will be the main product line.
- As of March 31, 2017, switchgear business has an order book worth ₹21.4 crore.



Electrifying India with the Latest LED Lighting Equipment

The Lighting market in India is at an inflection point with the government's strong focus on energy-efficient lighting solutions. LED lighting offers higher energy savings of around 60-75% as compared to older technologies such as CFL, incandescent, metal halides or sodium vapour lamps. As India's leading LED manufacturer, we are committed to playing our part in illuminating the nation through innovative lighting and electronic solutions that are cost-effective, long-lasting as well as eco-friendly.

4,496 Crore
Size of India's LED lighting market in 2016

62%
Projected CAGR of market for LEDs in India during FY 2016-20, significantly higher than the estimated 40% CAGR in the global LED lighting industry



31,014 Crore
Estimated size of Indian LED market in 2020

THE HPL EDGE

Quality & design

We provide our energy efficient indoor commercial and domestic luminaires with superior design. From functional to aesthetic purposes, our LED lighting range encompasses a wide variety of quality products. Our LED lamps have been certified to be in conformity with the Indian Standard Index by the BIS.

Backward integrated operations

In recent years, the lighting segment has been witnessing significant price pressure. This makes that it is imperative to continually innovate and deliver cost-effective solutions. At HPL, we have a significant advantage vis-à-vis our peers as we have our own R&D centre and manufacturing facilities. This high degree of backward integration enables us to bring to the market high-end technologies at reasonable prices for our customers while ensuring volume growth and better margins for the business.

Strong distribution network

By leveraging our wide distribution network, we have been able to grow our market for LED bulbs and luminaires. In fact, despite voluntarily staying away from the low-margin business of certain large government procurement programmes such as those awarded by Energy Efficiency Services Limited (EESL), our lighting business has seen considerable volume growth.

High brand visibility

The lighting business, like the switchgear business, is also a B2C sales model. Our BTL activities have strengthened the demand for our lighting products.

Electrifying India the efficient way

Our CCMS Street Lighting System offers significant savings in manpower and energy through automated settings for sunset and sunrise timings, remote energy metering and dimming of lights during off-peak hours.



OPERATIONAL HIGHLIGHTS

- 22.68% of the total revenue earned in FY 2017 is attributable to the lighting business.
- HPL in consortium with Bharti Infratel and Ericsson has received an order of ₹ 70 crore for Bhopal Smart City Lighting Project and has further bid for orders in more smart city locations.
- The lighting product range has been expanded to include electronics which consists of lighting electronics, drivers, ballast and other electronic components.
- Lighting sales gained traction in the fourth quarter of FY 2017. However,overall sales for the year were lower due to phase-out of CFL products and voluntary reduction of low margin business from EESL/ projects.
- Increased focus on LED bulbs and luminaires helped in partially offsetting the impact of lower CFL sales.
- As on March 31, 2017, the lighting business order book stood at ₹ 59.8 crore.

SEGMENT OUTLOOK

The LED lighting market is poised for a surge in growth driven by the growing preference among residential users to opt for LEDs based on their low power consumption and long product lifecycle solutions. Increasing urbanisation and rise in personal income is also fuelling the demand for LED products. In the year under review, we have displayed remarkable growth in the sale of LEDs and luminaires. We will continue to increase the share of our retail LED lighting segment driven by our sound business fundamentals of wide geographic presence and strong dealer and customer connect. Further, our advanced lighting solution with integrated communications enhances our ability to maximise business opportunities.

The 100 Smart Cities Mission offers a huge prospect for the LED market. We have already bagged our first Smart City project for the city of Bhopal. Our exceptional technology in the field of street lighting, made possible due to our in-house R&D, gives us a strong advantage. In fact, very few players in the market have the kind of technology that we can offer and thus we are looking at the Smart City projects in a big way. Additionally, the margins in these projects are higher as compared to that in contracts being offered by EESL. Hence, as a conscious decision, we have decided to move away from EESL lighting contracts for some time, as witnessed already in FY 2017, to focus on the more lucrative Smart City lighting projects.

Enabling Electrification through Reliable Wires and Cables

Electrical wires and cables are conductors used in electrical networks for transfer of electricity. Government priority for infrastructure, power, housing and communications are expected to serve as a key catalyst for the growth of the wires and cables segment. At HPL, by providing reliable and superior quality Low Tension (LT) electrical wires and cables, we are a premium player in this business segment and connecting India to an electrifying future.

70%

Share of LT wires and cables within the overall electrical and cables market

18,850 Crore

Current size of overall electrical wires & cables market

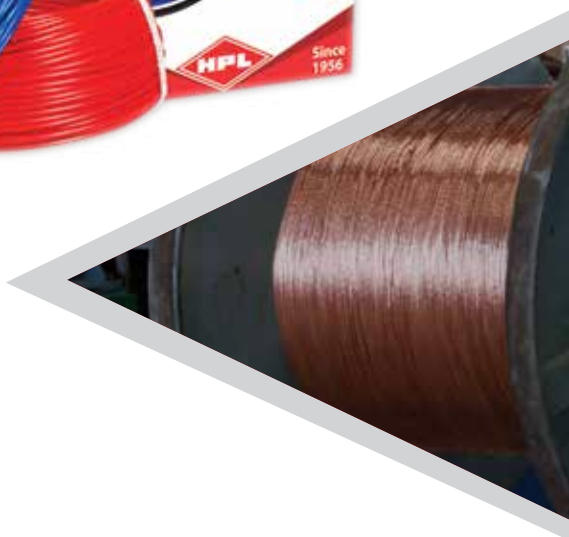


4.4%

Estimated CAGR of LT wires and cables market during FY 2016-20

15,600 Crore

Estimated size of LT wire and cables market in 2020



The HPL Edge

Being largely a B2C sales model, the wires and cables business of the Company gains an upper hand from its robust pan-India distribution network. Our brand promotion strategy through BTL activities has enhanced the visibility of our products. Additionally, by leveraging our backward integrated facilities we are able to control costs, achieve greater efficiency across the value chain and bring improved products at a faster speed to the market.

OPERATIONAL HIGHLIGHTS

- 14.13% of the total revenue earned in FY 2017 is attributable to the wire & cables business.
- As on March 31, 2017, the wire and cable business order book stood at ₹13.1 crore.

SEGMENT OUTLOOK

India is forecasted to be among the fastest growing nations in the near and medium term. The Government's focus on 'Make in India' and improving "ease of doing business" is expected to fuel manufacturing/industrial growth. This high level of economic activity will increase the demand for wires and cables from the industrial sector. Growth in the residential segment through various initiatives undertaken by the government such as Housing for All, Smart Cities, 100% FDI and enactment of RERA would also propel the demand for wires and cables. Renewable power generation gathering momentum is also good news for the growth of the electrical wires and cables market. With these favourable developments and demand steadily gravitating towards the organised sector, we are confident that our wires and cables segment will gain a big impetus.

Robust product pipeline

With renewable energy being a key focus area, we have developed solar cables to cater to energised India's emerging needs in the wires and cables segment.



Gharaunda Facility, Karnal

Management Discussion & Analysis

ECONOMIC REVIEW

The year 2016 witnessed two significant political events that are expected to have a long-term impact on the geo-political and socio-economic landscape in future. That UK chose to exit the EU, an unexpected development which led to political uncertainty. Further, the outcome of the Presidential elections in the US added to wave of political uncertainties. Amidst this, the global economy witnessed 3.2% growth in 2016 as against 3.4% growth experienced in 2015.

Developed economies grew at 1.7%, while GDP growth in the US remained subdued at 1.6% in 2016, which is the slowest pace experienced since 2011. Eurozone economy quickened at 1.8%. As a result, Eurozone outpaced the US for the first time in the post-financial crisis era. Despite the higher consumer confidence and improvements in the job markets, the space of economic growth in the US remained lacklustre, largely on account of weak exports and mild slowdown experienced in investments. Notwithstanding, monetary policy normalisation continued to unravel.

As per the International Monetary Fund (IMF) estimates, the global economy is expected to grow at 3.5% in 2017 and at 3.6% in 2018. Growth in the emerging and developing markets may emerge stronger and enduring as compared to that in the advanced economies.

As per the provisional estimates of the Ministry of Statistics and Programme Implementation (MOSPI), India's GDP quickened at 7.1% in the financial year (FY) 2016-17. Net tax collections improved by 12.8% in FY 2016-17 which helped India maintain the 7% plus growth rate. GDP growth in FY 2016-17 appeared satisfactory especially considering the temporary setback experienced in the private consumption space due to demonetisation.

As per the new series on the Index of Industrial Production (IIP) released by the Central Statistics Office (CSO), factory output expanded at 5.0% in FY 2016-17. Over the review period, retail inflation averaged at 4.5% which was well within RBI's comfort zone. Going forward, RBI has envisaged to maintain the retail inflation at 4% or there - abouts with +/-2.0% margin of error. The RBI's monetary policy stance turned neutral from accommodative.

In the Q3, FY 2016-17, the Government discontinued the high-value currency notes from the circulation. Credit growth fell to 5.0% in FY 2016-17 which was the slowest growth rate experienced in last 6 decades. Lending rates softened on the back of improved liquidity in the banking system and muted credit growth. (Source: RBI).

In the Union Budget 2017-18, the government allocated ₹ 1.29 lakh crore for the rural development programme and ₹ 3.96 lakh crore for the development of infrastructure. In the previous Union Budget, it had allocated ₹ 1.02 lakh crore and ₹ 3.49 lakh crore respectively. In the wake of higher budgetary allocations coupled with the forecast of normal monsoon, the rural demand is expected to revive in FY 2017-18. Moreover, higher public spending on infrastructure and farmer empowerment initiatives will act as a catalyst for future growth. (Source: Budget Speech 2017-18)

In the Union Budget 2017-18, the Government awarded 'Affordable Housing' a status of infrastructure. This move is in accord with other development programmes such as 'Housing For All.'

International Monetary Fund (IMF) predicts Indian economy to grow at 7.2% in FY 2017-18. Full effects of the implementation of 7th Pay Commission and cyclical uptick leading to wage hikes may further boost the household consumption demand in FY 2017-18. NPA resolution and adequate liquidity in the system may help India further accelerate the economic growth.

COMPANY OVERVIEW

HPL Electric and Power Limited ('HPL') is a well-established player in the electric equipment industry. With its comprehensive product portfolio spread across four verticals-metering, switchgear, lighting and wires and cables -HPL caters to the industrial, commercial & household demand for electrical equipment.

It enjoys a leadership position in energy meters and in on-load changeover switchgear. It holds 20% and 50% market share respectively in these segments. Moreover, HPL is the 5th largest manufacturer in the LED lighting sector in India and has been rapidly expanding its footprint in this which is one of the fastest-growing segments of the electric equipment industry.

The Company has seven manufacturing facilities of which two each are located in Gurgaon, Kundli, Gharaunda, Sonepat in Haryana, Jabli in Himachal Pradesh and Guwahati in Assam.. The Company also has two state-of-the-art Research and Development (R&D) centres which are approved by the Department of Scientific & Industrial Research and Ministry of Science & Technology. HPL has a strong distribution network of over 27,000 retailers and over 2000 dealers & distributors.

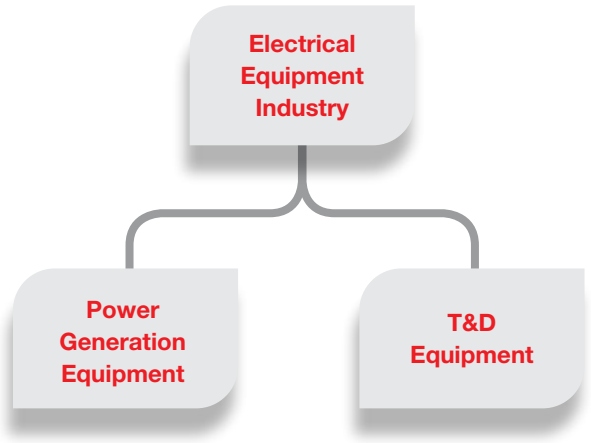
Financial year (FY) 2016-17 was the landmark year in the history of HPL. The Company successfully raised ₹ 361 crore through the public offering.

INDUSTRY OVERVIEW

On the back of rapid industrialisation and improving economic prospects, the demand for electricity in India has been steadily on the rise. As per the Central Electricity Authority of India (CEAI), country's present installed power generation capacity is 330 Gigawatts (GW). It is expected to grow to 350 GW by FY 2021-22. (Source: CEAI, IBEF)

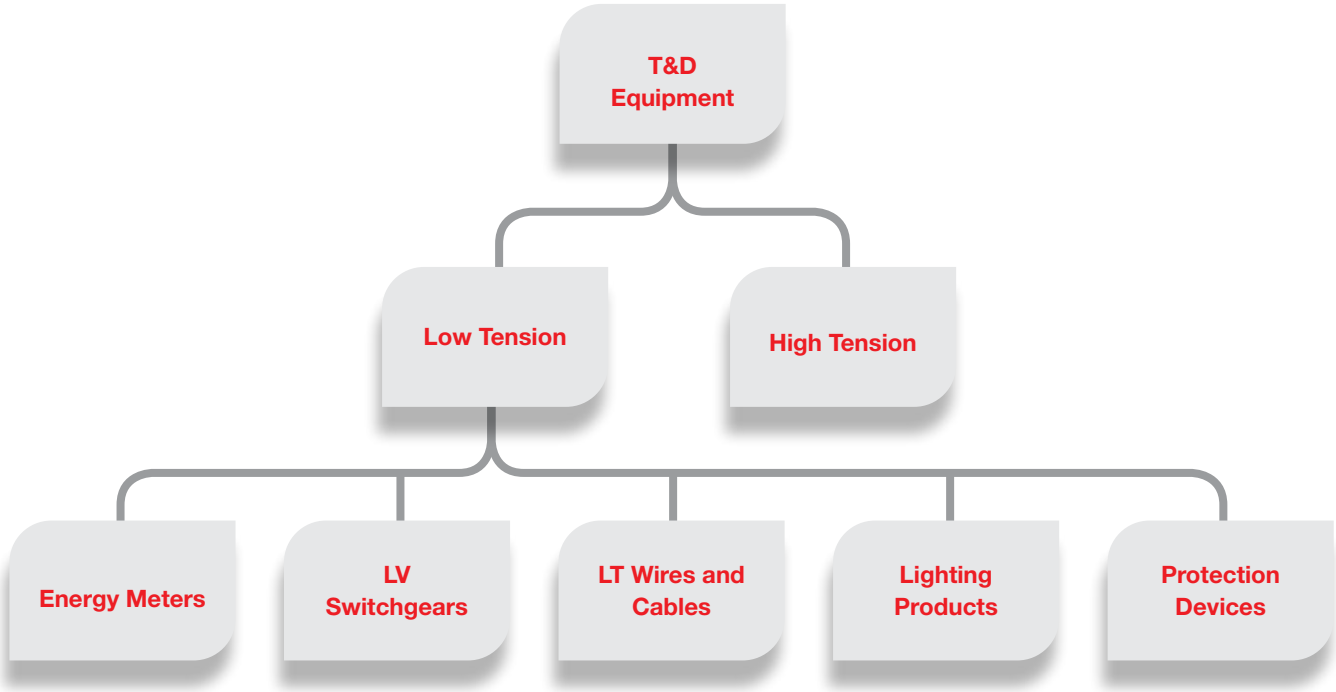
India's energy demand is set to rise 132% by 2035 thereby outpacing that of China in all likelihood. The country has made significant investments in expanding installed capacities over the last decade. However, this has caused a crowding out effect on the Transmission & Distribution (T&D) sector. As a result, despite the adequate installed power capacities, India faces an energy deficit. Aggregate technical and commercial losses (AT&C Losses) and power pilferages are the biggest reason for the deficit situation. Automation and smart metering are expected to improve the operational efficiency of the T&D sector.

Electrical equipment industry accounts for 9.9% of the total manufacturing activities in India and has a share of approximately 1.4% in GDP. Between 2016 and 2020, the industry is expected to grow at a compounded annualised rate of 8%-12%. (Source: Prospectus page 47 onwards)



Power generation equipment market is likely to touch ₹ 1.25 lakh crore while T&D equipment segment is expected to grow to ₹ 3.75 lakh crore by 2022. (Source: Prospectus)

T&D equipment market accounts for nearly 72% of the total electrical equipment market in India. While the industry is dominated by a few domestic organised and multinational players, the market is highly fragmented in nature. Small and Medium Enterprises (SMEs) have a significant presence across the value-chain. Nonetheless, their share is steadily declining owing to region-specific approach, ordinary product quality and prevalence of grey market activities among others. (Source: Prospectus)



Electricity Energy Meters

The efficiency of power distribution function largely depends on the accuracy of electricity meters. They are a vital component in making the power supply economically viable.

Organised players command 80% share in India's ₹ 3,000 crore worth electricity meters market. The demand for smart meters that help efficient monitoring of energy consumption is significantly outpacing the demand for Current Electronic Meters. The smart meters market is expected at values at USD 340.82 million this year as per the report published by the Department of Science and Technology. It is expected to grow at a compounded annualised rate of 8%-10% over next 4-5 years. (Source: Prospectus)

Reform initiatives such as Restructured Accelerated Power Development and Reform Programme (R-APDRP), Ujwal Discom Assurance Yojana (UDAY) and CEA guidelines among others have led the way for smart metering solutions in the country. Smart metering has been identified as a crucial area for development under Smart City Mission—an urban renewal and retrofitting programme. The Government endeavours to instal 3.5 crore smart meters by 2019 for which the estimated funding requirement is pegged at ₹ 17, 150 crore. (Source: India Country Report on Smart Grids)

Government's focus on renewable energy would also pave the way for smart metering solutions as it's a crucial element of roof-top solar power plant connected to the grid for the sale of surplus power.

LV Switchgear

Switchgear performs critically important functions such as protection, isolation and control in the electrical systems. Demand for switchgears is primarily affected by the overall performance of the economy, industrial investment activities and the spending on infrastructure development involving power utilities. India's switchgear industry is expected to grow at 6.1% between 2016 and 2020 to become worth ₹ 7,609 crore by 2020. The market expansion may primarily happen on account of government's thrust on renewable energy, capacity enhancement in power generation, expansion of T&D network and growing demand from the residential segment. (Prospectus)

LED Lighting

In the wake of deteriorating environmental conditions, cutting back carbon emissions and making the optimal use of energy has become the important policy objectives. As per the estimates of Ministry of Power, India is a USD 12-billion energy efficiency market. Innovative business and implementation models are expected to yield 20% energy savings. As against 40% compounded annualised growth expected in the global LED lighting industry until 2020, Indian LED lighting market is estimated to grow at 62% compounded annualised rate between 2016 and 2020. In 2016, the Indian LED lighting market valued at ₹ 4,496 crore and is expected to touch ₹ 31,014 crore in 2020. (Source: Prospectus, page 122)

Given that nearly 75% of demand for LED lighting products is met through imports, the scope for ramping up domestic supplies is enormous. Various reform initiatives such as **'Make In India'**, 'Street Light Replacement Programme' and 'Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)' among others will offer thriving opportunities for the companies providing LED lighting solutions. New schemes are being envisaged to provide LED to all households. (Source: Prospectus page 50)

Electrical Wires and Cables

Electrical wires and cables play a vital role in improving the performance of T&D activities. The overall electrical wires and cables market in India is estimated to be worth ₹ 18,850 crore. Within this, the contribution of LT electrical wires and cables is 70%. Between 2016 and 2020, the LT wires and cables market is expected to improve at 4.4% compounded annualised rate. In the recent past, LT wires and cables segment experienced the lacklustre growth due to subdued economic growth, a slowdown in the real estate sector and delayed recovery in the private capex cycle. Going forward, these factors are expected to turn favourable, resulting in demand recovery. Government initiatives such as 'Smart City Mission, 'Housing For All', 'Affordable Housing Programme' are likely to pave the way for future growth in the sector.

BUSINESS & FINANCIAL OVERVIEW

Company's revenue from operations on Standalone basis fell 16.9% to ₹ 926.48 crore in FY 2016-17 from ₹ 1,115.26 crore in FY 2015-16. Likewise, Profit Before tax (PBT) fell to ₹ 30.52 crore in FY 2016-17 from ₹ 48.82 crore recorded in the previous fiscal. The transitory impact of demonetisation affected Company's performance in Q3, FY 2016-17. Since Business-to-Consumer (B2C) contributes over 50%, temporary effects of demonetisation impacted the Company's topline performance. Similarly, delay in large-scale Energy meters procurement tenders from SEB during Q1, Q2 and Q3, FY 2016-17, impacted the performance of Business-to-Business (B2B) segment.

OUTLOOK

The Company has been moving away from B2B business which is capital-intensive and more cyclical in nature vis-à-vis B2C business. B2C business helps generate better Returns On Assets (ROA) and also adds a predictability element to Company's revenues.

While the Company is expected to maintain its leadership position in the metering segment and on-load change over switchgear segment, the LED, LED automation systems, LT Switchgear, Circuit Breakers, Solar Electrical products and systems, increased International business, LED lighting will be its focus area, going forward.

The Company is well-placed to take advantage of various government initiatives such as **'Make In India',** Smart City Mission', 'Affordable Housing', DDUGJY, Street Light Replacement Programme' and UDAY to name a few. Factors such as higher government spending on infrastructure development and its thrust on renewable energy, slow yet steady recovery in the private capex cycle, revival in the housing sector, growing household incomes, and Company's strong presence in tier-2 and tier-3 cities along with its focus on growing B2C business bode well for HPL's growth prospects.

Implementation of the GST is likely to end the cost-arbitrage advantage available to regional players in the unorganised market so far. Improved compliance is likely to create a level-playing field for all players. This will be a huge advantage for the Company in B2B as well as in the B2C segment. As a part of the ongoing de-risking strategy, the Company will continue to explore underserved regions in India that have a tremendous growth potential due to growing demand and limited competition.

Furthermore, Company's cautious efforts to reduce the debt and improve working capital position are likely to fetch considerable gains for the Company in future.

RISKS AND CONCERNS

Slower than expected economic recovery: Company's performance is significantly linked to the overall performance of Indian economy. Any unforeseen slack may affect growth prospects of the Company negatively. The Company endeavours to mitigate this risk by creating higher brand recall and making constant improvements in the product offerings.

Change in the government's policy stance: Any unanticipated change in the government policy-making can severely affect the prospects of centrally funded schemes. The Company has adequately diversified its business to shield itself from such uncertainties. The Company is improving its presence in the B2C business which is relatively immune to the policy risks.

Volatility in Commodity Prices: Fluctuations of unanticipated magnitude in the raw material prices can negatively affect the profit margin. The Company enjoys a leadership position in some of the key business areas and thus has a better price bargaining power with its customers. This helps negate the adverse impact of commodity price fluctuations.

Imports: India's LED lighting market was dominated by global manufacturers due to lack of domestic capacities until recently. However, with the increasing focus of the present government on promoting energy-efficient lighting solutions, the domestic players have begun to catch up fast. Company's thrust on R&D enables it to offer benefits of high-end technologies at a reasonable price. Backward integration is likely to help the Company successfully tackle the competition even in future.

INTERNAL CONTROLS FRAMEWORK

The Company has put into effect sound and robust internal control systems to ascertain that all its assets are protected. To achieve this objective, the Company follows Standardised Operating Procedures, policies and guidelines, including regular monitoring procedures and carries out self-assessment exercises.

The Company has instituted the Code of Conduct that establishes the fundamental standards which its employees need to follow in their regular working. The Company observes highest standards of the ethical code and encourages its employees to actively report activities which they believe are unethical and conflict with any business interest of the Company. The Company has also established a robust process of self-monitoring mechanism. It has laid down adequate systems and procedures to ensure that Company's operations remain efficient, effective and free of fraudulent activities.

Internal Auditors and Corporate Audit Department of the Company make sure that Company's internal control systems are followed meticulously and also ensure the competitiveness and accuracy of accounting methods. Internal Control function helps the Company abide itself by laws and statutory requirements. It also ensures all compliance-related requirements are fulfilled in due course.

HUMAN RESOURCES

HPL is a research-oriented Company and believes people are its biggest asset. The Company encourages its employees to upgrade their skills and achieve a higher level of efficiencies. For making this happen, it regularly arranges training programmes for them. It Company has employed a trained team of more than 100 engineers to drive the innovation and lay the foundation for future growth.The Company encourages its people to strike a good work-life balance. It also insists them to participate in recreation activities as well. The total employee strength of the Company was over 1,900 as on March 31, 2017.

Director's Report

Dear Members

Your Directors have pleasure in presenting 25th Annual Report of your Company together with the Audited financial Statements for the financial year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

The financial performance of your company for the year ended March 31, 2017 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated
	2016-17	2015-16	2016-17*
Revenue from Operations	92648.06	111526.25	98631.42
Other Income	449.07	485.56	538.68
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	**11289.13**	**14642.21**	**12890.07**
Less: Finance Cost	6091.20	7823.71	6565.85
Less: Depreciation and amortization expenses	2145.89	1936.48	2389.04
Profit before Exceptional Expenses and Tax	3052.04	4882.02	3935.18
Profit before tax	**3052.04**	**4882.02**	**3935.18**
Less: Tax Expenses	**808.19**	**1177.78**	**1087.87**
Profit for the year	**2243.85**	**3704.24**	**2847.31**
Add: Brought forward from last year's Account	**23542.41**	**20044.05**	
Amount Available for Appropriations	**25786.26**	**23748.29**	
Earnings per Share (in ₹) Not Annualised			
Basis (₹)	**4.05**	**7.98**	
Diluted (₹)	**4.05**	**7.98**	

* Since Himachal Energy Pvt Ltd. became subsidiary of the company on May 9, 2016 (financial year 2016-17), hence consolidated figures of financial year 2015-16 have not been furnished.

2. Review of Business Operations

During the year company came out with public issue of ₹ 361 crores, which got over whelming response, resulting in over subscription of around 9 times. The business in all sectors was very challenging due to demonitisation & fewer tenders of meters from Electricity Boards during the year, resulting in reduced sales volume as well as profitability of company. The segementwise revenue share break up as under, Metering – 41.73%, Switchgears—15.74% , Lighting – 19.85% and Wires & Cables -11.72%.To give push to "Make in India" programe of Govt of India , your company has set up a plant in Guwahati (Assam) during Q4. With this addition HPL now has 7 state of Art plants. This will take care of the manufacturing requirements & growth opportunities in future.

3. Subsidiaries/ Joint Ventures/ Associates

As on March 31, 2017, the Company is having two Joint Ventures (JVs) namely HPL Electric & Power Pvt. Ltd. – Shriji Designs (JV) and HPL Electric & Power Pvt. Ltd. – Trimurthi Hitech Co. Pvt. Ltd. - Shriji Designs (JV). These JVs are established as Association of Person (AOP) and not registered under the Companies Act and accordingly are not Associate Companies as per section 2(6) of the Companies Act, 2013.

During the year under review company's investment in the Debentures subscribed in Himachal Energy Private Limited was converted into equity shares. Post conversion of 1,50,00,000 (one crore fifty Lakhs) debenture held by the Company in Himachal Energy Private Limited, the Company now hold 97.15% of the total equity share capital of Himachal Energy Private Limited. Accordingly, Himachal Energy Private Limited has become subsidiary of the Company. Himachal Energy Private Limited is engaged in the business of manufacturing of energy meters, kilowatt meters, trivector and multifunction meters and other related activities.

A statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or joint venture or ventures in Form AOC-1 is Enclosed as **Annexure-I.**

4. Consolidated Financial Statement

The consolidated financial statements of your company for the financial year 2017 are prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and form part of the Annual Report.

In accordance with Section 129(3) of the companies Act, 2013, a statement containing salient features of the financial statement of subsidiary/associate/joint venture companies is provided as annexure in AOC-1 to the consolidated financial statement.

5. Reserves

Your directors do not propose to transfer any amount to the general reserve.

6. Dividend

Your Directors are pleased to recommend a dividend of ₹ 1.50 per equity share (15%) for the financial year ended March, 31, 2017, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

The dividend distribution would results in cash outgo of ₹ 116,085,831/- (including tax on dividend of ₹ 19,635,102/-). The dividend would be payable to all those Shareholders whose names appear in the Register of Members as on the Book Closure Dates mentioned in the Notice.

7. Share Capital

The authorized share capital of the Company is ₹ 70,00,00,000/- (Rupees Seventy Crores) divided into 7,00,00,000 (Seven Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each. During the year under review, the paid up capital of the company has been increased from ₹ 46,42,91,990/- to ₹ 64,30,04,860/- after allotment of 1,78,71,287 equity shares under Initial Public Offerings.

8. Material Changes after the close of the financial year

Save as mentioned elsewhere in the report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year to which this financial statements relates and the date of this report.

9. Change in the nature of business

During the year under review, there was no change in the nature of business of your Company.

10. Credit Rating

During the year under review, India Rating & Research Pvt. Ltd. has upgraded your company's rating to IND A with positive outlook from IND A- with stable Outlook for long term debt, IND A-1 reaffirmed for short term debt & commercial papers.

11. Public deposits

During the financial year 2016-17, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

12. Directors and Key Managerial Personnel and change therein

The Company has ten directors with an Executive Chairman. Out of ten directors five are independent directors including one Woman Director and five are Executive Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors on the Board is a director in more than 10 Public Companies or a member of more than 10 Committees or a Chairman of more than 5 Committees across all listed companies in which he/ she is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2017 have been made by all the Directors of the Company.

None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.

Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Gautam Seth (DIN 00203405), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the financial year, Mr. Vinod Ratan Gupta has resigned as CFO of the company on March 25, 2017. Thereafter on the recommendations of Audit Committee, Mr. Neeraj Kumar was appointed by the Board as CFO on May 22, 2017 and resigned on August 12, 2017 to take charge as CFO of Himachal Energy Pvt. Ltd., the subsidiary of the Company. Mr. Sudhir Barik was appointed as CFO of the company on August 14, 2017 on the recommendations of Audit Committee.

13. Declaration by Independent Directors

Your company has received necessary declarations from all Independent Directors that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with Schedule IV and Rules made thereunder, as well as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board considered the independence of each of the directors in terms of above provisions and is of the view that they fulfill the criteria of independence.

14. Meetings of the Board of Directors.

During the financial year 2016-17, the Board of Directors of the Company met 8 (Eight) times on April 30, 2016, June 4, 2016, August 30, 2016, September 8, 2016, September 27, 2016, September 30, 2016, November 14, 2016 and February 6, 2017. Particulars of attendance of each director are mentioned in the Corporate Governance Report.

15. Formal Annual Evaluation

The evaluation framework for assessing the performance of Directors of your Company comprises of contributions at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others.

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 and the rules made thereunder, the Board was required to carry out the Annual Performance of Evaluation of the Board, its Committees and individual Directors. Additionally, as per provision of Regulation 17 (10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the performance evaluation of the independent directors was also to be done by the Board of Directors.

Accordingly, the Board has carried out the annual evaluation of the Directors individually including the Independent Directors (wherein the concerned director being evaluated did not participate), Board as a whole, and Committees of the Board of Directors.

The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

16. Policy on Appointment and Remuneration of Directors and Key Managerial Personnel and other employees

Your Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part D of the Schedule II).

The detailed Nomination & Remuneration Policy is annexed as **Annexure II** and forms part of this Report and is also available on the website of the Company at www.hplindia.com under Investor Relations Section.

17. Extract of Annual Return

Pursuant to Section 92 of the Act and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is provided in **Annexure III.**

18. Listing

The Board of Directors of your Company have pleasure in informing that during the year under review, your Company successfully floated its Initial Public Offer (IPO) for fresh issue of 1,78,71,287 equity shares. The IPO was a success and consequent to that, the equity shares of the Company were got listed on the trading terminals of the National Stock Exchange of India Limited and the BSE Limited with effect from October 4, 2016.

Both these stock exchanges have nation-wide terminals and therefore, shareholders/Investors are not facing any difficulty in trading in the shares of the Company from any part of the country.

The Company has paid the listing fees to both the Stock Exchanges.

19. Audit Committee

As at March 31, 2017, the Audit Committee of the Board of Directors of the company comprised of 4 (Four) Members, namely Mr. Tarun Sehgal as Chairman; Mr. Virender Kumar Bajaj; Mr. Jatinder Singh Sabharwal and Mr. Gautam Seth. The committee comprises of majority of Independent Directors except Mr. Gautam Seth, who is a Non-Independent Non-Executive Director.

Further the details relating to the Audit Committee are provided in the Corporate Governance report forming part of this Annual Report.

20. Vigil Mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

Pursuant to Section 177(9) of the Companies Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. A vigil Mechanism policy is uploaded on the website of the company i.e. www.hplindia.com under Investor Relations Section. During the year under review, there was no complaint received under this mechanism.

21. Risk Management

The Company has in place a robust risk management policy which identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders, to achieve business objectives and enable sustainable growth. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

An extensive program of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices.

22. Policy on Material Subsidiary

The Company has framed a Policy on Material Subsidiary under Regulations 16(c) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 which is available on the website of the company i.e. www.hplindia.com under Investor Relations Section.

23. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility committee comprises Mr. Lalit Seth as Chairman; Mr. Rishi Seth (Joint Managing Director); Mr. Jainul Haque (Independent Director) and Mrs. Madhu Bala Nath (Independent Director) as members of the committee.

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy which is available on the website of the company i.e. www.hplindia.com under Investor Relations Section.

Your company has formed the Trust and got the same registered with the concerned Registrar for carry out the CSR activities. However the activities to operationalise the trust functioning was under process during the financial year 2016-17.

The company has identified some areas for CSR activities like providing food, medicines and clothing to the poor & needy.

A report on Corporate Social Responsibility is enclosed in **Annexure IV.**

24. Contracts or Arrangements with related Parties

All transactions entered into with related parties as defined under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and at arm's length basis. As per the provisions of Section 188 of the Companies Act, 2013, and Rules made thereunder read with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had obtained the necessary approval of the Audit Committee before entering into such transactions.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergies with the Company's operations.

Your Company has framed a Policy on Related Party Transactions in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the amended provisions of the Companies Act, 2013. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and related parties. The policy is available on the website of the company i.e. www.hplindia.com under Investor Relations Section and the Details of Related Party Transactions are enclosed as per AOC-2 in **Annexure V.**

25. Auditors

A) Statutory Auditors

M/s. Sahni Mehra & Co., Chartered Accountants was the statutory auditors of the company and has completed the tenure as permissible under the Companies Act, 2013. Therefore, your Board, based on the recommendation received from the Audit Committee, recommends the appointment of M/s. Kharbanda Associates Chartered Accountants (Firm Registration No. 003456N) as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting subject to ratification by the Shareholders at every Annual General Meeting.

The Company has received a letter from M/s. Kharbanda Associates Chartered Accountants to the effect that their appointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. Your Directors recommend their appointment.

Statutory Auditors Report

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditors' Report are self-explanatory.

B) Cost Auditors

Your Board of Directors has re-appointed M/s Bikram Jain & Associates, Cost Accountants, (Firm Registration No. 101610) as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the financial year 2017-18 in accordance with Section 148 and the Companies (Cost Records and Audit) Rules, 2014 after obtaining his consent and certificate under Section 139, 141 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The remuneration payable to the Cost Auditor of the Company has been proposed for the ratification by the members of the Company and shall form part of the notice of the 25th Annual General Meeting.

C) Secretarial Auditors

The Board of Directors has re-appointed M/s. AVA Associates, Company Secretaries as Secretarial Auditors of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules made thereunder for conducting Secretarial Audit of the Company for the financial year 2017-18.

Secretarial Audit Report

The Secretarial Audit Report for the FY 2016-17 as submitted by Secretarial Auditors in Form MR-3 is annexed to this Report as **Annexure VI.**

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Secretarial Auditors in their Secretarial Audit Report that may call for any explanation from the Directors.

26. Particulars of Loans, Guarantees or investments

The Company has made an investment of 15,000.000 Equity shares of ₹ 10 each in Himachal Energy Pvt Ltd. for a total consideration of ₹ 54 Crores, with this, Himachal Energy Pvt Ltd. has become 97.15% subsidiary of HPL Electric & Power Ltd. The company has not given any loans, guarantees or provided any security as per section 186 of the Company Act, 2013 during the period under review.

27. Particulars of remuneration of Directors/ KMP/ Employees

The information required to be disclosed in the Board's Report pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure VII** to this report.

28. Research and Development

HPL with its passion for innovation has under taken many initiatives to accelerate the business growth curve in the upward direction. Company has been regularly investing in infrastructure and its R&D centers to make word class products, meeting stringent Quality standards. All the R&D labs in various units have been focusing on design and development of innovative products in the field of Switchgear, Lighting and Metering etc. to meet the growing technological challenges of the times.

During the year a new product namely Automatic Transfer Switch was added in its bucket of Switchgear products. The product is user friendly from application point of view & easy to service. As such this product was a "Star of attraction" in HPL stall during Elecrama exhibition held last. The team has been continuously working on improving the reliability and life cycle of HPL products. Most of the products are "CE" marked. All the plants are RoHS complaint to meet the demands of the new era of business globally.

Timely delivery of new products under development is of primary focus of R&D department. It works on a cohesive approach to narrow the gap between Design and Manufacturing by investing money in 3D model prototyes before commencing tool manufacturing. This saves lot of time, energy and money while developing new products thereby increasing the efficiency of the company.

Company is continuously working on many more smart engineering electrical products to meet the future demand.

29. Conservation of Energy, Technology Absorption, foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure VIII** to this report.

30. Corporate Governance Report

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Annual Report. The requisite certificate from M/s. Sahni Mehra & Co., Statutory Auditors of the Company regarding compliance of conditions of corporate governance is also annexed to the Corporate Governance Report.

31. Directors' Responsibility Statement

Pursuant to Section 134(3) (c) and 134(5) of the Companies Act, 2013, the Directors confirm that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

b. 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 your Company as at March 31, 2017 and of the profit and loss of the Company for the financial year ended March 31, 2017;

c. proper and sufficient care has been taken 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;

d. the annual accounts have been prepared on a 'going concern' basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

32. Employees Stock Option Scheme

Board of Directors has recommended and members of the Company have approved an Employees Stock Option Scheme for the benefit of the Employees (referred as HPL Employees Stock Option Scheme 2016 (HPL ESOS 2016/ Scheme) to reward the eligible employees for their contribution to the success of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the Scheme is to attract, reward, motivate and retain its employees for high levels of individual performance which will ultimately contribute to the success of the Company. However, the Scheme has not been implemented yet.

The relevant particulars relating to HPL ESOS 2016, in terms of Rule 12 of the Companies (Share Capital & Debentures) Rules, 2014 are as below:

(a)	Options Granted	Nil
(b)	Options Vested	Nil
(c)	Options Exercised	Nil
(d)	Total number of shares arising as a result of exercise of option	Nil
(e)	Options Lapsed	Nil
(f)	Exercise Price	N. A.
(g)	Variation in the terms of Options	Nil
(h)	Money realized by exercise of options	Nil
(i)	Total number of options in force	Nil
(j)	Employee wise details of options granted to	
	(i) Key managerial personnel	Nil
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

33. Disclosure under the sexual harassment of women at workplace (Prevention, Prohibition And Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has in place robust policy on prevention of sexual harassment at workplace which is applicable to all employees of your company as per the provisions of Sexual Harassment of woman at work place (Prevention, prohibition and Redressal) Act, 2013.

During the year ended March 31, 2017, your company did not receive any complaints pertaining to sexual harassment.

34. Significant/material orders passed by the regulators

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

35. Internal Control Systems and adequacy of Internal Financial Controls

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

36. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the Companies

Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also presented in a separate section forming part of the Annual Report.

37. CEO and CFO Certificate

CEO and CFO Certificate as prescribed under Schedule II Part B of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance Report forming part of this Annual Report.

38. Disclosure of commission paid to Managing or Whole time Directors

There is no commission paid or payable by your company to the managing director or the whole time directors.

39. Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from various Government Departments, Banks/ financial Institutions and shareholders. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board

For **HPL Electric & Power Limited**

Lalit Seth

Date: August 14, 2017 Chairman and Managing Director

Place: Gurugram DIN: 00312007

ANNEXURE-I

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

(₹ in Crores)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Himachal Energy Private Limited
2.	The date since when subsidiary was acquired	09/05/2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31/03/2017
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR
5.	Share capital	26.44
6.	Reserves & surplus	39.37
7.	Total assets	140.00
8.	Total Liabilities	74.20
9.	Investments	NIL
10.	Turnover	93.53
11.	Profit before taxation	8.84
12.	Provision for taxation	2.80
13.	Profit after taxation	6.04
14.	Proposed Dividend	NIL
15.	% of shareholding	97.15%

Part "B": Associates and Joint Ventures

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

(Amount in ₹)

Name of Associates/Joint Ventures		HPL-Shriji Designs (JV)	HPL-Shriji-Trimurthi Hitech Company Pvt.Ltd. (JV)
1.	Latest audited Balance Sheet Date	31.03.2017	31.03.2017
2.	Date on which the Associate or Joint Venture was associated or Acquired	30/10/2010	22/06/2011
3.	Shares of Associate/Joint Ventures held by the company on the year end		
	No.	N.A.	N.A.
	Amount of Investment in Associates/Joint Venture (₹)	13,526,989	32,573,483
	Extend of Holding%	97	94
4.	Description of how there is significant influence	Company is holding 97% of the ownership interest	Company is holding 94% of the ownership interest
5.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet(₹)	(4,345,301)	(5,988,434)
7.	Profit/Loss for the year (₹)		
	i. Considered in Consolidation	(99,299)	3,218
	ii. Not Considered in Consolidation	N.A.	N.A.

For and on behalf of the Board

For **Sahni Mehra & Co.**
Chartered Accountants

Sd/-
Ramesh Sahni
Proprietor
M.No. : 009246
F.R.N. : 000609N

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Sudhir Barik
Chief Financial Officer

Date : August 14, 2017
Place : Gurugram

ANNEXURE-II

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961;

"Key Managerial Personnel" means:

i. Managing Director, Joint Managing Director or Chief Executive Officer and Whole-time Director;

ii. Chief Financial Officer;

iii. Company Secretary; and

iv. Such other officer as may be prescribed.

"Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management, one level below the Executive Directors, including the functional heads.

Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC are inter alia, includes the following:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of Independent Directors and the Board;

(c) Devising a policy on Board of Directors diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal; and

(e) Extension or Continuation of the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Managing Director, Joint Managing Director or Whole-time Director, who has attained the age of seventy years, unless the same is approved by the shareholders through special resolution.

TERM/ TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to a maximum five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the aforesaid period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the law and the prevailingpolicy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director/ Joint Managing Director/ Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director/ Joint Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Joint Managing Director/ Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be approved by the Board of Directors.

b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get any Stock Options (if any) and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such director in his capacity as the professional; and

i) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, allowances etc. as decided from to time.

c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- Company shall disclose the remuneration policy and evaluation criteria in its Annual Report.
- The Committee may Delegate any of its powers to one or more of its members.

ANNEXURE-III

FORM NO. MGT-9
Extract of Annual Return
As on the Financial Year ended March 31, 2017

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

I. Registration and other details:

i)	CIN	U74899DL1992PLC048945
ii)	Registration Date	28-05-1992
iii)	Name of the Company	HPL Electric & Power Ltd.
iv)	Category of the Company	Public Limited Company
v)	Sub-Category of the Company	Limited by Shares
vi)	Address of the Registered office and contact details	1/21 Asaf Ali Road, New Delhi-110002, Ph No- 011-23234411
vii)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District - Nanakramguda, Hyderabad- 500 032,Telangana, India Toll Free No.: 1800- 345-4001 / Fax: 040- 23001135 E-mail: einward.ris@karvy.com Website: www.karvy.com

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	Metering	2651	44.06
2	Switchgear	2710	19.13
3	Lighting & Electronics	2740	22.68
4	Cables	2732	14.13

**** As per NIC Code 2008.***

III. Particulars of holding, subsidiary and associate companies:

S. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% age of shares held	Applicable section
1.	Himachal Energy Private Limited	U31909HP2003PTC027983	Subsidiary	97.15	Section 2(87) of Companies Act, 2013
2.	HPL Electric & Power Private Limited – Shriji Designs (JV)	NA	Associate	Nil#	2(6) of the Companies Act, 2013
3.	HPL Electric & Power Private Limited – Shriji Designs – Trimurthi Hitech Company Private Limited (JV)	NA	Associate	Nil#	2(6) of the Companies Act, 2013

The Company has Two Joint Ventures in form of Association of Person (AOP) under the names of Joint Ventures of M/s HPL Electric & Power Private Limited – Shriji Designs (JV) & HPL Electric & Power Private Limited – Shriji Designs – Trimurthi Hitech Company Private Limited (JV) w.e.f. October 30, 2010 & June 22, 2011 which were subsequently amended on September 24, 2011. Your company is the Lead Partner in both the Joint Ventures and having entitlement of 97% & 94% of profits earned respectively.

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

a) Category-wise Share Holding

CATEGORY CODE (I)	CATEGORY OF SHAREHOLDER (II)	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR (XI)
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
A.	**PROMOTER AND PROMOTER GROUP**									
1.	**INDIAN**									
a)	Individual /HUF	14299676	0	14299676	30.80	14299676	0	14299676	22.24	-8.56
b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	32092023	0	32092023	69.12	32092023	0	32092023	49.91	-19.21
d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**46391699**	**0**	**46391699**	**99.92**	**46391699**	**0**	**46391699**	**72.15**	**-27.77**
2.	**FOREIGN**									
a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**46391699**	**0**	**46391699**	**99.92**	**46391699**	**0**	**46391699**	**72.15**	**-27.77**
B.	**PUBLIC SHAREHOLDING**									
1.	**INSTITUTIONS**									
a)	Mutual Funds /UTI	0	0	0	0.00	5688318	0	5688318	8.85	8.85
b)	Financial Institutions /Banks	0	0	0	0.00	135792	0	135792	0.21	0.21
c)	Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0.00
d)	Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f)	Foreign Institutional Investors	0	0	0	0.00	920364	0	920364	1.43	1.43
g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.00	0.00
h)	Others	0	0	0	0	0	0	1000	0.00	0.00
	Sub-Total B(1) :	**0**	**0**	**0**	**0.00**	**6744474**	**0**	**6745474**	**10.49**	**10.49**
2.	**NON-INSTITUTIONS**									
a)	Bodies Corporate	0	0	0	0.0	3288496	0	3288496	5.11	5.11
b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	0	0	0	0.00	5885322	0	5885322	9.15	9.15
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	1614575	0	1614575	2.51	2.51
c)	Others									
	CLEARING MEMBERS	0	0	0	0.00	253326	0	253326	0.39	0.39
	DIRECTORS	37500	0	37500	0.08	37500	0	37500	0.06	-0.02

CATEGORY CODE (I)	CATEGORY OF SHAREHOLDER (II)	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	NO. OF SHARES HELD AT THE END OF THE YEAR DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	% CHANGE DURING THE YEAR (XI)
	NON RESIDENT INDIANS	0	0	0	0.00	73914	0	73914	0.11	0.11
	NRI NON REPATRIATION	0	0	0	0.00	10180	0	10180	0.00	0.00
	TRUSTS	0	0	0	0.00	1000	0	1000	0.02	0.02
d)	**QUALIFIED FOREIGN INVESTOR**	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total B(2) :	**37500**	**0**	**37500**	**0.08**	**11164313**	**0**	**11164313**	**17.36**	**17.28**
	Total B=B(1)+B(2) :	**37500**	**0**	**37500**	**0.08**	17908787	0	17908787	27.85	27.77
	Total (A+B) :	**46429199**	**0**	**46429199**	**100**	64300486	0	64300486	100.00	0.00
C)	**Shares held by Custodians for GDRs & ADRs**	0	0	0	0	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**46429199**	**0**	**46429199**	**100**	**64300486**	**0**	**64300486**	**100.00**	**0.00**

b) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	Shareholding at the end of the year No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Mr. Lalit Seth	7703098	16.59	0	7703098	11.98	0	- 4.61
2	Mrs. Praveen Seth	2133098	4.59	0	2133098	3.32	0	-1.27
3	Mr. Rishi Seth	2231740	4.81	0	2231740	3.47	0	-1.34
4	Mr. Gautam Seth	2231740	4.81	0	2231740	3.47	0	-1.34
5	HPL India Limited	11738238	25.28	0	11738238	18.26	0	-7.02
6	Amerex India Private Limited	210000	0.45	0	210000	0.33	0	-0.12
7	Jesons Impex Private Limited	24000	0.05	0	24000	0.04	0	-0.01
8	Havell's Private Limited	2842655	6.12	0	2842655	4.42	0	-1.7
9	Havells Electronics Private Limited	11652130	25.10	0	11652130	18.12	0	-6.98
10	Himachal Energy Private Limited*	5625000	12.12	0	5625000	8.75	0	-3.37
	Total	**46391699**	**99.92**	**0**	**46391699**	**72.15**	**0**	**-27.77**

Note*

Himachal Energy Private Limited was holding 56,25,000 equity shares in HPL Electric & Power Limited. As per the Scheme of Arrangement as approved by the Hon'ble High Court of Himachal Pradesh vide its order 21st March, 2016, (before IPO of the Company),the Investment held by Himachal Energy Private Limited in our company was vested with another group company - HPL Projects Portfolio Private Limited. Though the said 56,25,000 Equity shares of HPL Electric & Power Limited had been acquired and vested with HPL Projects Portfolio Private Limited pursuant to the Scheme of Arrangement before IPO; due to procedural delays in opening demat account, delay in shifting of name of beneficiary of such shares in the Depository records etc., the same shown in the demat account of Himachal Energy Pvt. Ltd., which has been shifted to the demat account of HPL Projects Portfolio Private Limited on June 2, 2017.

c) Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the Year		Cumulative shareholding during the year	
1.	Promoter & Promoter's Group	No. of Shares	% of the total shares of the Company	No. of Shares	% of the total shares of the Company
	At the beginning of the year	46391699	99.92	46391699	99.92
	Date wise Increase/ Decrease in promoters Share holding during the year Specifying the reasons for increase/ decrease (allotment/ transfer/ bonus/ sweat etc.)*	0	0.00	0	-27.77*
	At the end of the year			46391699	72.15

* The promoters' shareholding in percentage is changed due to allotment of Equity Shares to public under Initial Public Offer.

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

S. No.	FN	CATEGORY	For Each of the TOP 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason Increase/ Decrease in share holding	Cumulative Shareholding during the year	
				No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	AAATH1809A	MUT	HDFC TRUSTEE COMPANY LIMITED A/C HDFC GROWTH FUND	0	0	01/04/2016			0	0
						30/09/2016	2795176	Allotment of Equity Shares through IPO	2795176	4.35
						07/10/2016	300000	Purchase	3095176	4.81
						14/10/2016	126000	Purchase	3221176	5.01
						21/10/2016	198000	Purchase	3419176	5.32
						31/03/2017			3419176	5.32
2	AAATB0102C	MUT	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C	0	0	01/04/2016			0	0
						30/09/2016	1078549	Allotment of Equity Shares through IPO	1078549	1.68
						14/10/2016	-88469	Sale	990080	1.54
						25/11/2016	400000	Purchase	1390080	2.16
						02/12/2016	219000	Purchase	1609080	2.50
						09/12/2016	35400	Purchase	1644480	2.56
						03/03/2017	-25668	Sale	1618812	2.52
						17/03/2017	-2400	Sale	1616412	2.51
						31/03/2017			1616412	2.51
3	AADCM5927G	FII	MORGAN STANLEY MAURITIUS COMPANY LIMITED	0	0	01/04/2016			0	0
						30/09/2016	476682	Allotment of Equity Shares through IPO	476682	0.74
						14/10/2016	1243	Purchase	477925	0.74
						21/10/2016	2398	Purchase	480323	0.75
						04/11/2016	897	Purchase	481220	0.75
						25/11/2016	166000	Purchase	647220	1.01
						23/12/2016	-1770	Sale	645450	1.00
						31/03/2017			645450	1.00
4	AAATB0509R	MUT	BARODA PIONEER EQUITY TRIGGER FUND SERIES I	0	0	01/04/2016			0	0
						30/09/2016	322097	Allotment of Equity Shares through IPO	322097	0.50
						21/10/2016	18951	Purchase	341048	0.53
						28/10/2016	10000	Purchase	351048	0.55
						11/11/2016	25182	Purchase	376230	0.59
						20/01/2017	25000	Purchase	401230	0.62
						27/01/2017	15000	Purchase	416230	0.65
						03/02/2017	-11025	Sale	405205	0.63
						31/03/2017			405205	0.63

S. No.	FN	CATEGORY	For Each of the TOP 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason Increase/ Decrease in share holding	Cumulative Shareholding during the year	
				No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
5	AAACI1195H	FI	ICICI BANK LIMITED	0	0	01/04/2016			0	0
						30/09/2016	355728	Allotment of Equity Shares through IPO	355728	0.55
						07/10/2016	-355728	Sale	0	0.00
						04/11/2016	21	Purchase	21	0.00
						11/11/2016	25071	Purchase	25092	0.04
						18/11/2016	1887	Purchase	26979	0.04
						25/11/2016	-24897	Sale	2082	0.00
						02/12/2016	77828	Purchase	79910	0.12
						09/12/2016	350	Purchase	80260	0.12
						23/12/2016	1342	Purchase	81602	0.13
						30/12/2016	12221	Purchase	93823	0.15
						06/01/2017	372	Purchase	94195	0.15
						13/01/2017	-1744	Sale	92451	0.14
						20/01/2017	18376	Purchase	110827	0.17
						27/01/2017	-372	Sale	110455	0.17
						03/02/2017	-534	Sale	109921	0.17
						10/02/2017	-444	Sale	109477	0.17
						17/02/2017	331	Purchase	109808	0.17
						24/02/2017	125	Purchase	109933	0.17
						03/03/2017	472	Purchase	110405	0.17
						10/03/2017	-22414	Sale	87991	0.14
						17/03/2017	-2868	Sale	85123	0.13
						24/03/2017	-762	Sale	84361	0.13
						31/03/2017	2714	Purchase	87075	0.14
						31/03/2017			89939	0.14
6	AAFCS2530P	INS	SBI LIFE INSURANCE CO. LTD	0	0	01/04/2016			0	0
						30/09/2016	355728	Allotment of Equity Shares through IPO	355728	0.55
						11/11/2016	-70000	Sale	285728	0.44
						18/11/2016	-58109	Sale	227619	0.35
						25/11/2016	-227619	Sale	0	0.00
						31/03/2017			0	0.00
7	AAACM6528L	LTD	MY MONEY SECURITIES LTD	0	0.00	01/04/2016			0	0.00
						04/11/2016	1	Purchase	1	0.00
						25/11/2016	262000	Purchase	262001	0.41
						02/12/2016	23000	Purchase	285001	0.44
						09/12/2016	25000	Purchase	310001	0.48
						23/12/2016	500	Purchase	310501	0.48
						30/12/2016	4500	Purchase	315001	0.49
						03/03/2017	-150000	Sale	165001	0.26
						17/03/2017	159999	Purchase	325000	0.51
						31/03/2017	7000	Purchase	332000	0.52
						31/03/2017			332000	0.52
8	AAACU2414K	BNK	AXIS BANK LIMITED	0	0.00	01/04/2016			0	0.00
						30/09/2016	321926	Allotment of Equity Shares through IPO	321926	0.50
						07/10/2016	-26926	Sale	295000	0.46
						14/10/2016	-295000	Sale	0	0.00
						04/11/2016	33620	Purchase	33620	0.05
						11/11/2016	1120	Purchase	34740	0.05
						11/11/2016	-1320	Sale	33420	0.05
						18/11/2016	-170	Sale	33250	0.05
						25/11/2016	6016	Purchase	39266	0.06
						23/12/2016	13397	Purchase	52663	0.08
						23/12/2016	-2520	Sale	50143	0.08
						06/01/2017	-20	Sale	50123	0.08

S. No.	FN	CATEGORY	For Each of the TOP 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason Increase/ Decrease in share holding	Cumulative Shareholding during the year	
				No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
						13/01/2017	8860	Purchase	58983	0.09
						03/02/2017	9810	Purchase	68793	0.11
						10/02/2017	-12769	Sale	56024	0.09
						17/02/2017	-120	Sale	55904	0.09
						24/02/2017	1617	Purchase	57521	0.09
						03/03/2017	890	Purchase	58411	0.09
						17/03/2017	-920	Sale	57491	0.09
						24/03/2017	1182	Purchase	58673	0.09
						31/03/2017	-12820	Sale	45853	0.07
						31/03/2017			45853	0.07
9	ABCFM3242P	LTD	AAKARSHAN TRACOM PRIVATE LIMITED	0	0.00	01/04/2016			0	0.00
						09/12/2016	270000	Purchase	270000	0.42
						31/03/2017			270000	0.42
10	AAACA5508J	LTD	ABHINANDAN LEASING & FINANCE PVT LTD	0	0.00	01/04/2016			0	0.00
						31/03/2017	251821	Purchase	251821	0.39
						31/03/2017			251821	0.39

e) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors and KMPs	Shareholding No. of Shares				Date of change*	Increase/ (Decrease) in shareholding*	Reason*	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		April 1, 2016		March 31, 2017						
		No. of Shares	% of Shares	No. of Shares	% of Shares				No. of Shares	% of total Shares of the Company
1	Mr. Lalit Seth	7703098	16.59	7703098	11.98	-	-	-	7703098	11.98
2	Mr. Rishi Seth	2231740	4.81	2231740	3.47	-	-	-	2231740	3.47
3	Mr. Gautam Seth	2231740	4.81	2231740	3.47	-	-	-	2231740	3.47
4	Mr Chandra Prakash Jain	37500	0.08	37500	0.06	-	-	-	37500	0.06
5.	Mr. Vinod Ratan Gupta	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Jatinder Singh Sabharwal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7.	Mrs. Madhu Bala Nath	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Tarun Sehgal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9.	Mr. Jainul Haque	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10.	Mr. Virender Kumar Bajaj	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Vivek Kumar	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V) Indebtedness of the company including interest outstanding/ accrued but not due for payment

(Amount ₹ in Lakhs)

		Secured Loans excluding de-posits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	50899.82	7000.00	NA	57899.82
ii)	Interest due but not paid				
iii)	Interest accrued but not due				
	Total (i+ii+iii)	50899.82	7000.00	NA	57899.82
Change in Indebtedness during the financial year					
Addition (+) / Reduction (-)		(39950.25)	15000.00		(24950.25)
Indebtedness at the end of the financial year					
i)	Principal Amount	10949.57	22000.00	NA	32949.57
ii)	Interest due but not paid				
iii)	Interest accrued but not due				
	Total (i+ii+iii)	10949.57	22000.00	NA	32949.57

VI. Remuneration of directors and key managerial personnel

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

(Amount ₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total
		Mr. Lalit Seth	Mr. Rishi Seth	Mr. Gautam Seth	Mr. Chandra Prakash Jain	Mr. Vinod Ratan Gupta	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	375.07	156.32	156.32	135.57	99.01	922.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.40	0.40	0.40	2.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	N.A.	Nil
2	Stock Option	Nil	Nil	Nil	Nil	N.A.	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	N.A.	Nil
4	Commission	Nil	Nil	Nil	Nil	N.A.	Nil
	- as % of profit	Nil	Nil	Nil	Nil	N.A.	Nil
	- others, specify…	Nil	Nil	Nil	Nil	N.A.	Nil
5	Others, (PF Contribution)	0.48	0.48	0.48	Nil	N.A.	1.44
	Total (A)	375.95	157.20	157.20	135.97	99.40	925.73

B. Remuneration to other directors

(Amount ₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	**Independent Directors**	**Mr. Tarun Sehgal**	**Mr. Jatinder Singh Sabharwal**	**Mrs. Madhu Bala Nath**	**Mr. Jainul Haque**	**Mr. Virender Kumar Bajaj**	
	Fee for attending board & committee meetings	2.40	2.40	2.10	2.30	2.90	12.10
	Commission	N.A	N.A	N.A	N.A.	N.A.	N.A.
	Others, please specify	N.A	N.A	N.A	N.A.	N.A.	N.A.
	Total (1)	2.40	2.40	2.10	2.30	2.90	12.10
2	**Other Non-Executive Directors**	N.A	N.A	N.A	N.A.	N.A.	Nil
	Fee for attending board & committee meetings	N.A	N.A	N.A	N.A.	N.A.	Nil
	Commission	N.A	N.A	N.A	N.A.	N.A.	Nil
	Others, please specify	N.A	N.A	N.A	N.A.	N.A.	Nil
	Total (2)	N.A	N.A	N.A	N.A.	N.A.	Nil
	Total (B)=(1+2)	N.A	N.A	N.A	N.A.	N.A.	Nil
	Total Managerial Remuneration	**2.40**	**2.40**	**2.10**	**2.30**	**2.90**	**12.10**

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Amount ₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO*	Total
		N.A.	Mr. Vivek Kumar	Mr. Vinod Ratan Gupta	
1	Gross salary	N.A.	13.24	N.A.	13.24
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	0	N.A.	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	0	N.A.	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	0	N.A.	0
2	Stock Option	N.A.	0	N.A.	0
3	Sweat Equity	N.A.	0	N.A.	0
4	Commission	N.A.	0	N.A.	0
	as % of profit	N.A.	0	N.A.	0
	others, specify…	N.A.	0	N.A.	0
5	Others, please specify	N.A.	0	N.A.	0
	Total	N.A.	13.24	**N.A.**	13.24

*Particulars of the remuneration of CFO (Mr. Vinod Ratan Gupta Whole - time Director & CFO) are given above under point no VI A

VII. Penalties/ punishment/ compounding of offences: Nil [No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.]

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. Directors					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. Other officers in default					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

ANNEXURE-IV

Details of CSR Activities shall be disclosed in the Board's report as per Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Applicability

This Corporate Social Responsibility Policy is applicable to **HPL Electric & Power Ltd.** (hereinafter referred to as "the Company), which is mandated with the CSR expenditure obligations as per Sec. 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

2. CSR Committee - roles and responsibilities

Corporate Social Responsibility Committee (CSR Committee) had been re-constituted by the Board of Directors of the Company w.e.f 21/01/2016. In view of reconstitution of the CSR Committee; the CSR Policy is revised. The present constitution of the CSR Committee is as below:

S. No.	Name of the Director	Designation
1	Mr. Lalit Seth	Chairman
2	Mr. Rishi Seth	Director
3	Mrs. Madhu Bala Nath	Independent Director
4	Mr. Jainul Haque	Independent Director

CSR Committee is responsible to:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company specified in Schedule VII;

b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;

c. Monitor Corporate Social Responsibility Policy of the Company from time to time; and,

d. To take steps for the formulation of any Trust/ Society/Company for the charitable purpose and get the same registered for the purpose of complying with Corporate Social Responsibility provisions.

e. Any other duties, roles and responsibilities pursuant to the provisions of the Section 135 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time.

3. Average Net profit for the last three years:

The Average net profit of the company for last three financial years for the purpose of computation of CSR is ₹ 4124.55 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Minimum prescribed CSR Expenditure (two per cent of the amount as in item 3 below) is ₹ 82.49 Lakhs.

5. Details of CSR spent during the financial year:

Total amount spent for the financial year	NIL
Amount unspent	₹ 82.49 Lakhs

6. Reason for non spending of the minimum prescribed CSR expenditure by the Company:

The Company has formed the Trust to carry out the CSR activities and got the same registered with the concerned authorities on 24.01.2017. The CSR Committee in its meeting held on February 6, 2017 delibrated for providing food, medicines and clothing to the poor & needy. Due to paucity of time and non identification of the area of opertaion by the trust, we could not spent the money.

However in the FY 2017-2018, the company has started expending the money towards the achievement of the CSR activities identified by the company.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

This is to confirm that except as mentioned elsewhere in this report, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policyof the company.

Lalit Seth
Chairman (CSR Committee)
DIN: 00312007

Rishi Seth
Member
DIN: 00203469

ANNEXURE-V

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and 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 sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

(a) Name(s) of the related party and nature of relationship: N.A.

(b) Nature of contracts/ arrangements/ transactions: N.A.

(c) Duration of the contracts/ arrangements/ transactions: N.A.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.

(e) Justification for entering into such contracts or arrangements or transactions: N.A.

(f) Date(s) of approval by the Board: N.A.

(g) Amount paid as advances, if any: N.A.

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.

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

There were no material* contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017:

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

(a) Name(s) of the related party and nature of relationship: N.A.

(b) Nature of contracts/ arrangements/ transactions: N.A.

(c) Duration of the contracts/ arrangements/ transactions: N.A

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.

(e) Date(s) of approval by the Board, if any: N.A.

(f) Amount paid as advances, if any: N.A.

For and on Behalf of the Board

For **HPL Electric & Power Limited**

Mr. Lalit Seth
Chairman and Managing Director
DIN: 00312007

Date: August 14, 2017
Place: Gurugram

ANNEXURE-VI

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2017

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

To,

The Members
HPL Electric & Power Limited
1/21, Asaf Ali Road, New Delhi -110002

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by HPL Electric & Power Limited for the financial year ended on March 31, 2017 according to the provisions of:

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

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

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

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

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

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. Other law as are applicable to the Company as per representations made by the Company

   a) Central Excise Act

   b) Sales Tax Act / Vat Act

   c) The Finance Act

   d) Income Tax Act

   e) Labour Laws

   f) Environmental Laws

We have also examined compliance with the applicable clauses of the following:

(i) **Secretarial Standards** issued by The Institute of Company Secretaries of India with respect to Board and General Meeting.

(ii) The Listing Agreement entered into by the Company with BSE Limited (BSE) & The National Stock Exchange of India Limited (NSE)

(iii) The **Companies (Corporate Social Responsibility) Rules, 2014 along with** Corporate Social Responsibility Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;

Based on our examination and verification of the books, papers, minute books, forms and returns filed and other

records produced to us and according to information and explanations given to us by the Company, we do report that the Company has in our opinion, complied with the provisions of the Companies Act, 2013 (Act) and the Rules made there under, the Memorandum and Articles of Association of the Company and the applicable provisions of the above mentioned laws, standards, guidelines, agreements, etc.

We report that, during the year under review:

1. The Status of the Company during the financial year has been that of a Listed Public Company listed at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE)
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
4. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company have not been reviewed in this Audit since the same have been subject to review by the Statutory financial Audit and other designated professionals.

We further report that (as represented by the Company and relied upon by us) there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **AVA Associates**
Company Secretaries

Date: August 4, 2017
Place: New Delhi

CS Vinod Kumar Gupta
FCS: 3648; CP: 2148

Annexure-A

Responsibility Statement

To,

The Members
HPL Electric & Power Limited
1/21, Asaf Ali Road,
New Delhi -110002

Our report is to be read along with the following:

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

For **AVA Associates**
Company Secretaries

Date: August 4, 2017
Place: New Delhi

Vinod Kumar Gupta
FCS: 3648; CP: 2148

ANNEXURE-VII

A. Details pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Clause under Rule 5(1): (i), (ii)

Name of Director/ KMP and Designation	Ratio of remuneration of each Director/ to median remuneration of employees	% increase in remuneration in the FY 2016-17
1. Mr. Lalit Seth (Chairman & Managing Director)	99:1	NIL
2. Mr. Rishi Seth (Joint Managing Director)	41:1	NIL
3. Mr. Gautam Seth (Joint Managing Director)	41:1	NIL
4. Mr. Chandra Prakash Jain (Whole Time Director)	36:1	NIL
5. Mr. Vinod Ratan Gupta (CFO & Whole Time Director)	26:1	NIL
6. Mr. Vivek Kumar (Company Secretary)	-	20.50

2. Clause under Rule 5(1): (iii), (iv), (viii) & (xii)

Clause under Rule 5(1)	Prescribed Requirement	Particulars
(iii)	Percentage increase in the median remuneration of employees in the financial year	14.52
(iv)	Number of permanent employees on the rolls of Company	1383
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	1. Average percentage increase in the salaries of employees other than managerial personnel – 10.89% 2. Average percentage increase in the salaries of managerial personnel - NIL
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Nomination and Remuneration Policy of the Company.

B. The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of

S. No.	Name and Designation	Total Gross Remuneration (In Millions)	Nature of Employment	Qualifications	Experience (In Years)	Date of commencement of employment in the Company	Age (in Years)	Last Employment held before joining the Company
1.	Mr. Lalit Seth (Chairman & Managing Director)	37.59	Permanent	Undergraduate	47	28.05.1992	71	N.A.
2.	Mr. Rishi Seth (Joint Managing Director)	15.72	Permanent	Bcom , Master of Business Administration	22	14.04.2000	46	N.A.
3.	Mr. Gautam Seth (Joint Managing Director)	15.72	Permanent	Bcom , Chartered Accountant	20	15.02.2008	45	N.A.

S. No.	Name and Designation	Total Gross Remuneration (In Millions)	Nature of Employment	Qualifications	Experience (In Years)	Date of commencement of employment in the Company	Age (in Years)	Last Employment held before joining the Company
4.	Mr. Chandra Prakash Jain (Whole Time Director)	13.60	Permanent	Bachelor of Engineering, Post Graduate Diploma in Statistical Quality Control, Master of Business Administration	26	18.05.2009	57	N.A.
5.	Mr. Vinod Ratan Gupta (CFO & Whole Time Director)	9.94	Permanent	Chartered Accountant	34	21.01.2016	58	N.A.
6.	Mr. G.N Sharma (Sr. Vice President)	6.77	Permanent	Diploma in Mechanical Engineering	21	01.04.2011	56	Havells India Limited
7.	Mr. Rajesh Banthia (General Manager R & D)	4.70	Permanent	BE Electronics & Communication Engineering	25	01.11.2000	49	Rajasthan Electronics & Instrument Limited
8.	Mr. Sanjay P. Kaka (Sr. General Manager Production)	3.90	Permanent	MBA (Operational) BE Electronics & Communication Engineering	20	18.03.2017	49	Secure Meters Limited
9.	Mr. C Easwardas (Sr. Vice President Marketing)	3.89	Permanent	Master of Commerce, Master of Business Administration	34	01.06.2005	63	Havells India Limited
10.	Mr. Sundeep Tandon (Vice President Business Development)	3.79	Permanent	B.E. in Electricals, PGDBM MBA	30	03.12.2007	52	English Electrical Company of India Ltd., GEC Aston

Notes:

1. Gross Remuneration includes Basic, HRA, Conveyance etc.
2. Except Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth, none of the above employees hold more than 2% of the total paid up capital of the Company.
3. None of the employee is related to any director or manager of the Company except Mr. Rishi Seth and Mr. Gautam Seth, both being the sons of Mr. Lalit Seth, Chairman and Managing Director as per Section 2(77) of the Companies Act, 2013.

ANNEXURE-VIII

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

(A) Conservation of energy

(i) The steps taken or impact on conservation of energy and the steps taken by the company for utilising alternate sources of energy:

Energy Conservation measures taken

Energy conservation has been always a matter of primary focus with HPL. Company has aligned its goal with the Indian government's National plan on Energy conservation. Due to increasing climate change over the last so many decades, it has become the need of the hour to save energy as much as possible. Company has made a mandatory policy to use only energy efficient BEE rated products in all the plants. Company has taken several steps for conserving energy through various initiatives and is continuously working to improve energy conservation and utilization. Main focus has been to reduce the energy cost thereby minimising the effect on the Environment. Innovative methods and various energy conservation measures have been implemented in all the plants and offices of HPL. Energy utilization cost of the company has come down in the last year compared to previous year's record. Company is also planning to venture into solar projects and implementation of use of solar energy for all the plants in stages. This would be a great effort in reducing the carbon footprint and energy conservation. Special efforts have been put on some specific energy conservation projects, which have been mentioned below:

Lighting:

Company has tried to reduce and optimize the lighting requirements in the plants through following initiatives:

a. For all lighting circuits, the Lighting load has been optimized.

b. Natural light is used in as many places as possible to save energy.

c. Conventional Light fittings have been replaced with LED Light fixtures at factory and office premises leading to savings in energy consumption.

d. All CFL lamps have been replaced with energy efficient LED lamps.

e. All T5 lamps have been replaced with LED tube light fittings in all the assembly sections & offices to conserve energy.

f. Stage wise replacement of conventional light fitting to LED lighting fitting is under progress for all the plants.

Replacement of old equipment with new energy efficient equipment:

- Purchase of new machines with energy efficient AC VFD motors & drives.
- Replacement of HPSV lights with LED lights along the compound walls of factories.
- Star rated Air conditioning units are being installed.
- All moulding machines have been connected with UPS to maintain continuous running leading to increase in productivity.
- Working on Insulating heaters for Injection moulding machines to conserve energy.
- Working on providing integral heating mechanism for Thermoset Moulding tools to create better heating and improve product quality.

All the various energy conservation methods have resulted in

- Optimizing the energy consumption
- Savings on cost of production
- Reduction in carbon footprint
- Reduction in processing time
- Increase in productivity
- Increase in overall efficiency

Power factor is being monitored on regular basis continuously to maintain in the range of 0.97- 0.99 against the minimum required standard of 0.95 as per Govt. rules.

Optimization of electrical equipment:

Power factor is being monitored on regular basis continuously to maintain in the range of 0.97- 0.99 against the minimum required standard of 0.95as per Govt. Electricity consumption rules.

Impact:

All the above energy conservation methods have resulted in

- Optimizing the energy consumption
- Savings on cost of production
- Reduction in carbon emission
- Reduction in processing time
- Increase in overall efficiency

Capital investment of energy conservation equipment:

The company is putting all efforts to reduce or optimize the energy requirements in the manufacturing unit by investing in energy saving equipment, plants and machineries on regular basis.

B. Technology absorption

The Company is continuously working towards absorption of new technologies by doing latest developments in products, processes and advance materials to ensure quality of products for customers.

Efforts made toward the Technology absorption

Company is continuously spending money In R&D department to meet the above challenges. The company has two R&D centres which are approved by Department of science technological & Industrial Research, Govt. of India. As a process of technological development, adoption & absorption to develop products, process & up gradation of above. The department works on above parameters; once the product or process is developed the prototypes are building followed by pilot development batch which undergoes for complete testing before proceeding for commercial production or implementation. HPL continuously works towards following activities for achieving the short term & long term business goals.

- Continuous development of new products & process for improvement in business efficiency by reduction in cost, cycle time which leads to energy conservation also.
- Development of Import substitution for products & material.
- Value Engineering in products & process to reduce wastages.
- Continuously absorb new technologies to improve the testing procedures for products, process & materials for enhancing the quality of products, safety to persons concerned & environment.
- Special focus on development of in-house products which are compatible to new technology specially interface with computers.

The benefits derived like product improvement, cost reduction, product development or import substitution

- To keep a competitive edge in market place
- To keep a continuous check on costs & quality this leads to customer satisfaction.
- To enhance the brand HPL
- Continuous Introduction of New products.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The company has not imported any technology during last three Financial Years.

The expenditure incurred on Research and Development:

During the year, your Company has made the total expenditure of ₹ 7.59 Crores towards Research & Development

C. Foreign exchange earnings and Outgo

(₹ in Crores)

	2016-17
Total Foreign Exchange Earned	77.21
Total Foreign Exchange used	283.27

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder's value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that the shareholders' long term interests are being served.

2.1 Composition of the Board of Directors

The Board of Directors of HPL Electric & Power Limited ('the Company') oversees the conduct of business activities by management and serves to ensure the implementation of management policies in an effective and efficient manner.

The Board of the company is constituted as per the provisions of the Company's Act 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), and the Articles of Association of the Company. The Board has an optimum combination of Executive and Non-executive Directors with one woman director and fifty percent of the board comprised of Non-executive Directors. The Chairman of the board is an Executive Director and a Promoter of the company and half of the board consists of Independent Directors.

On March 31, 2017, the Board of Directors comprised of ten directors including one woman director, of which five (i.e. 50%) are Non-executive Directors and five (i.e. 50%) are Independent Directors.

None of the directors on the board is a member of more than 10 committees or act as chairman of more than 5 committees across all the listed companies in which he is a director. Necessary disclosures regarding committee positions in the other public limited companies as on March 31, 2017 have been made by all the directors.

2.2 Meetings and Attendance of Directors

During the financial year 2016-17, eight Board Meetings were held on April 30, 2016, June 4, 2016, August 30, 2016, September 8, 2016, September 27, 2016, September 30, 2016, November 14, 2016 and February 6, 2017. The maximum interval between the two Board Meetings did not exceed 120 days as prescribed under the Act and Regulation 17 (2) of the Listing Regulations.

As at March 31, 2017, the composition of the Board of Directors along with the attendance of each Director at the Board Meetings and the last Annual General Meeting and their Directorships and committee positions is as follows:

Director	Category	No. of Board Meetings held during the financial year 2016-17	No. of Board Meetings Attended during the financial year 2016-17	Attendance at the last AGM held on June 30, 2016	No. of Directorship in other Public Limited Companies[1] (As on March 31, 2017)	No. of Committee positions held in other Public Companies[1] (As on March 31, 2017)	
						Chairman	Member
Mr. Lalit Seth	Promoter & CMD/ Non Independent/ Executive	8	8	Yes	3	None	None
Mr. Rishi Seth	JMD/Non Independent/ Executive	8	8	Yes	3	None	None

Director	Category	No. of Board Meetings held during the financial year 2016-17	No. of Board Meetings Attended during the financial year 2016-17	Attendance at the last AGM held on June 30, 2016	No. of Directorship in other Public Limited Companies[1] (As on March 31, 2017)	No. of Committee positions held in other Public Companies[1] (As on March 31, 2017)	
						Chairman	Member
Mr. Gautam Seth	JMD/Non Independent/ Executive	8	8	Yes	3	1	1
Mr. Chandra Prakash Jain	Non Independent/ Executive	8	8	No	None	None	None
Mr. Vinod Ratan Gupta	Non Independent/ Executive	8	8	Yes	None	None	None
Mr. Jatinder Singh Sabharwal	Independent/ Non Executive	8	5	No	None	None	1
Mrs. Madhu Bala Nath	Independent/ Non Executive	8	5	No	None	None	None
Mr. Tarun Sehgal	Independent/ Non Executive	8	5	No	None	None	None
Mr. Jainul Haque	Independent/ Non Executive	8	6	No	None	None	None
Mr. Virender Kumar Bajaj	Independent/ Non Executive	8	6	No	None	None	None

NOTES:

1. Other Directorship does not include, Directorship of Private Limited Companies, Foreign Companies and companies under section 8 of the Companies Act, 2013. Chairmanship/ Membership of Board committees include only Audit Committee and Stakeholders' Relationship Committee.

2. None of the Directors of the Company is related inter-se, except Mr. Lalit Seth, Mr. Gautam Seth and Mr. Rishi Seth who are related in terms of Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014.

3. None of the Non Executive Directors holds any shares or convertible instrument in the company.

2.3 Independent Directors

A. Familiarization Programmes

The company had performed an oriental programme at the time of induction of the new directors as well as other initiatives to update the directors on a continuous basis.

Senior Management Personnel of the Company make presentations to the Board Members on periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on Material Subsidiaries, Whistle Blower Policy, Risk Management Policy etc.

The details regarding Independent Directors Familiarization Programme are placed on the Company's website at www.hplindia.com.

B. Separate Meeting of Independent Directors

In terms of the provisions of Schedule IV of the Act, and Regulation 25 of the Listing Regulations, Independent Directors shall hold at least one meeting in a year, without the presence of Non-Independent Directors and members of the management.

In respect of financial year 2016-17, the Independent Directors met separately on Febryary 6, 2017 without the presence of any Non-Independent Directors on representations of Management and inter alia reviewed:

- the performance of Non-independent directors and the Board as a whole.

- the performance of the chairman of the company, taking into account the views of Executive Directors and Non executive Directors.
- Assessment of quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the board to effectively and reasonably perform their duties.

3. BOARD COMMITTEES

3.1 Audit Committee

A. Composition and Attendance

The constitution of the Audit Committee is in conformance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations, which comprises of four Directors with three Independent Directors forming majority. All the members of the Committee have adequate knowledge of financial and accounting matters. The Company Secretary acts as the Secretary to the Audit Committee.

During the financial year 2016-17, the Audit Committee met four times, on June 4, 2016, August 30, 2016, November 14, 2016 and February 6, 2017.

The Constitution of the Audit Committee as on March 31, 2017 and attendance of the members at its Meetings are as follows:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Tarun Sehgal	Independent/ Non Executive	Chairman	4	3
2.	Mr. Virender Kumar Bajaj	Independent/ Non Executive	Member	4	4
3.	Mr. Jatinder Singh Sabharwal	Independent/ Non Executive	Member	4	3
4.	Mr. Gautam Seth	Non Independent/ Executive	Member	4	4

B. Terms of Reference

The terms of reference of Audit Committee are broadly as under:

I. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

II. Recommendation for appointment, remuneration and terms of appointment of auditors of our Company;

III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

IV. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.

b) Changes, if any, in accounting policies and practices and reasons for the same.

c) Major accounting entries involving estimates based on the exercise of judgment by management.

d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Disclosure of any related party transactions; and

g) Modified opinion (in the draft audit report.)

V. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;

VI. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;

VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

VIII. Approval of any subsequent modification of transactions of our Company with related parties;

IX. Scrutiny of inter-corporate loans and investments;

X. Valuation of undertakings or assets of our Company, wherever it is necessary;

XI. Evaluation of internal financial controls and risk management systems;

XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

XIV. Discussion with internal auditors of any significant findings and follow up thereon;

XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;

XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

XVII. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

XVIII. Reviewing the functioning of the whistle blower mechanism;

XIX. Approval of appointment of CFO (i.e., the Whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

XX. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

XXI. mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- Statement of deviations:

(i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-Regulation (1) of Regulation 32 of the SEBI Listing Regulations; and

(ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of sub-Regulation (7) of Regulation 32 of SEBI Listing Regulations.

3.2 Nomination & Remuneration Committee

A. Composition and Attendance

The constitution of the Nomination and Remuneration Committee is in conformance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations, which comprises of three Non-Executive Independent Directors. The Company Secretary acts as the Secretary to the said Committee.

During the financial year 2016-17, One Committee Meeting was held on February 6, 2017.

The constitution of the Nomination and Remuneration Committee as on March 31, 2017 and attendance of the members at its meetings are as under:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Jatinder Singh Sabharwal	Independent/ Non Executive	Chairman	1	1
2.	Mr. Tarun Sehgal	Independent/ Non Executive	Member	1	1
3.	Mrs. Madhu Bala Nath	Independent/ Non Executive	Member	1	1

B. Terms of Reference:

Role of the Nomination and Remuneration Committee, inter alia, includes the following:

I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy relating to, the remuneration of our directors, key managerial personnel and other employees;

II. Formulation of criteria for evaluation of independent directors and our Board;

III. Devising a policy on Board diversity;

IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to our Board their appointment and removal; and

V. Carrying out any other function contained in the SEBI Listing Regulations and the Equity Listing Agreement.

C. Performance evaluation criteria for Independent Directors

The performance evaluation of all individual directors was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. Remuneration of Directors

(i) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

During the financial year 2016-17, the company has not paid any remuneration to the Non Executive Directors except the sitting fee, which is as follows:

(Amount in ₹)

Sr. No.	Name of the Director	Sitting fee
1	Mr. Jatinder Singh Sabharwal	240,000
2	Mrs. Madhu Bala Nath	210,000
3	Mr. Tarun Sehgal	240,000
4	Mr. Jainul Haque	230,000
5	Mr. Virender Kumar Bajaj	290,000

Note:

1. Sitting Fee represents payment to the Non-executive Directors for attending Meetings of the Board and Committees thereof held during the tenure of office of Director.
2. As per the amendment to the Income Tax Act, 1961, Income Tax at Source was deducted.

(ii) Criteria of making payments to Non-Executive Directors:

The terms of appointment / re-appointment, remuneration / fees, removal of Non-Executive Directors are governed by the resolutions passed by the Board / the Nomination and Remuneration Committee, which cover the terms and conditions of such appointment/re-appointment as per the Nomination and Remuneration Policy and Articles of Association of the Company, as amended from time to time. No separate Service Contract is entered into by the Company with any Non- Executive Directors.

Further, the detailed Nomination & Remuneration Policy is annexed to Director's Report as **Annexure A-II** and forms part of this Annual Report and is also available on the website of the Company at www.hplindia.com under 'Investor Relations' Section.

(iii) Details of Remuneration paid to Executive Directors during the financial year 2016-17 are given below:

(Amount in ₹)

Sr. No.	Name of Director	Salary	Perquisites	Commission	Contribution to P.F.	Total
1.	Mr. Lalit Seth (Chairman and Managing Director)	37,507,000	39,600	-	48,000	**37,594,600**
2.	Mr. Rishi Seth (Joint Managing Director)	15,632,000	39,600	-	48,000	**15,719,600**
3.	Mr. Gautam Seth (Joint Managing Director)	15,632,000	39,600	-	48,000	**15,719,600**
4.	Mr. Chandra Prakash Jain (Whole-time Director)	13,557,140	39,600	-	-	**13,596,740**
5.	Mr. Vinod Ratan Gupta (Whole-time Director)	9,900,593	39,600	-	-	**9,940,193**

(iv) Service Contract, Severance Fee and Notice Period of the Executive Directors:

The appointment/re-appointment of the Executive Directors is governed by the resolutions passed by the Board / The Nomination and Remuneration Committee and the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(v) Stock Options details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

During the financial year 2016-17, no stock options were granted to any of the directors of the company.

3.3 Stakeholders Relationship Committee:

A. Composition and Attendance

The constitution of the Stakeholders Relationship Committee and its terms of reference meets with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations. The Committee comprises of four members and the Chairman is a Non-Executive Independent Director. The Company Secretary Acts as the Secretary to the said Committee.

The composition of the Stakeholders' Relationship Committee as on March 31, 2017 is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Virender Kumar Bajaj	Independent/ Non Executive	Chairman
2.	Mr. Rishi Seth	Non Independent/ Executive	Member
3.	Mr. Gautam Seth	Non Independent/ Executive	Member
4.	Mr. Vinod Ratan Gupta	Non Independent/ Executive	Member

B. Terms of Reference:

Role of Stakeholders Relationship Committee is as under:

I. Redressal of all investors' and the security holders grievances of our Company, including complaints in respect of transfer of shares, non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of declared dividends, non-receipt of balance sheets of our Company, non-receipt of annual reports etc. and assisting with quarterly reporting of such complaints;

II. Giving effect to all transfer/ transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

III. Overseeing the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor service;

IV. Carrying out any other function under applicable law, including the SEBI Listing Regulations and the Equity Listing Agreement.

C. Shareholder Grievance Redressal

The Company had received 1 Investor complaint during the period under report which was resolved. There were no pending investor complaints as on March 31, 2017.

3.4 Executive Committee

The Executive Committee was constituted to expedite the day to day affairs of the company which are in routine nature and for the implementation of the decisions of the board. The committee functions within the approved framework and on the directions of the Board of directors.

During the financial year 2016-17 one meeting was held on February 16, 2017.

The compositon of the executive committee as on March 31, 2017 is as follows:

Sr. No.	Name	Category	Designation
1.	Mr. Lalit Seth	Non Independent/ Executive	Chairman
2.	Mr. Rishi Seth	Non Independent/ Executive	Member
3.	Mr. Gautam Seth	Non Independent/ Executive	Member

3.5 Corporate Social Responsible (CSR) Committee:

A. Composition and Attendance

The constitution of the CSR Committee is in conformance with the requirements of Section 135 of the Act, which comprises of four Directors with two Independent Directors.

The Company Secretary Acts as the Secretary to the said Committee.

During the financial year 2016-17, one CSR Committee Meeting was held on February 6, 2017.

The constitution of the CSR Committee as on March 31, 2017 and attendance of the members at its meetings is as under:

Sr. No.	Name	Category	Designation	No. of Meeting Held	No. of Meeting Attended
1.	Mr. Lalit Seth	Non Independent/ Executive	Chairman	1	1
2.	Mr. Rishi Seth	Non Independent/ Executive	Member	1	1
3.	Mrs. Madhu Bala Nath	Independent/ Non Executive	Member	1	1
4.	Mr. Jainul Haque	Independent/ Non Executive	Member	1	1

B. Terms of Reference:

Role of Corporate Social Responsibility Committee is as under:

I. To formulate and recommend to the board, a CSR Policy which will indicate the activities to be undertaken by the company in accordance with Schedule VII of the Companies Act,2013, as amended;

II. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

III. To monitor the CSR Policy of the company from time to time;

IV. Any other matter as the CSR Committee may deem appropriate after approval of the board of directors or as may be directed by the board of directors from time to time.

4 GENERAL BODY MEETINGS

A. Location and time, where last three Annual General Meetings held and Special resolution passed thereat:

Day, Date and time of AGM	Venue	Special Resolution
Thursday, 30th June, 2016 at 10:00 a.m.	1/21, Asaf Ali Raod, New Delhi 110002	There was no matter that required passing of Special Resolution
Tuesday, 30th September, 2015 at 10:00 a.m.	1/21, Asaf Ali Raod, New Delhi 110002	There was no matter that required passing of Special Resolution
Tuesday, 30th September, 2014 at 10:00 a.m.	1/21, Asaf Ali Raod, New Delhi 110002	There was no matter that required passing of Special Resolution

B. Details of special resolution passed in the last year through Postal Ballot:

No resolution was passed through postal ballot during the last year.

C. Details of the special resolution proposed to be conducted through postal ballot and procedure for postal ballot:

There is no special resolution proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

5 MEANS OF COMMUNICATION

A. Quarterly Results:

The Company publishes limited reviewed unaudited financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the Audited financial results for the complete financial year.

B. Newspapers wherein results normally published:

The quarterly/ half-yearly/ annual financial results are published in 'Business Standard' in both English and Hindi editions.

C. Website, where displayed:

The financial results are placed on the Company's website i.e. www.hplindia.com in the 'Investor Relations' section.

D. Official news releases:

The Company regularly publishes an information update on its financial results and also displays official news releases in the Investor Relations section on its website i.e. www.hplindia.com.

E. Presentations made to institutional investors or to the analysts:

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

6. COMPLIANCE OFFICER

Mr. Vivek Kumar, Company Secretary has been designated as the Compliance Officer of the Company.
Address : 1/21, Asaf Ali Road, New Delhi- 110002
E-mail : hplcs@hplindia.com
Phone : 011 23234411
Fax : 011 23232639

7. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting - Day, Date, Time and Venue

25th Annual General Meeting
Day: Thursday
Date: 28th September, 2017
Time: 10:00 am
Venue: Palm Green Resort,
21/30, Bakoli, GT Karnal Road,
Alipur, New Delhi-110036

B. Financial Year:

The financial year of the Company starts from April 1, of a year and ends on March 31, of the following year.

Adoption of quarterly financial results for the quarter ending (tentative and subject to change):

June, 2017	1st/2nd week of August, 2017
September, 2017	1st/2nd week of November, 2017
December, 2017	1st/2nd week of February, 2018
March, 2017	3rd/4th week of May, 2018

C. Dividend Payment Date:

The Board of Directors of your Company has recommended a final dividend of 1.50/- per equity share of 10/- each i.e. @ 15% for the financial year 2016-17. Date of payment of dividend would be within 30 days from the date of declaration of the dividend.

D. Listing on Stock Exchanges and Stock Code

Stock Exchanges and their address	Stock Code	ISIN
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	540136	INE495S01016
National Stock Exchange of India Ltd.(NSE) "Exchange Plaza", 5th Floor, Plot No. C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051	HPL	

E. Annual Fee

a. **Payment of Listing Fee**: The Annual Listing fee for the financial year 2016-17, as applicable to the Company has been paid to BSE and NSE.

b. **Payment of Depository Fee:** Custodial charges have been paid to Central Depository Securities (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for the current financial year based on the beneficial records maintained with them respectively as on March 31, 2017.

F. Stock Market Data: The High and low of the Share Price of the Company during each month of the financial year 2016-17 (w.e.f. October 2016) at NSE and BSE are as under:

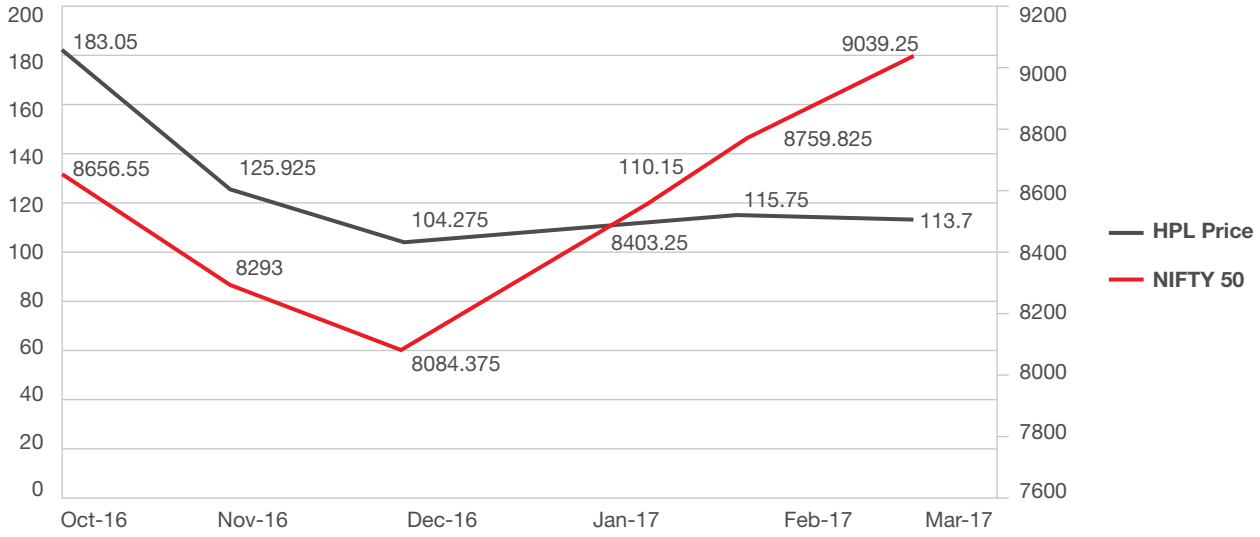
Month	National Stock Exchange of India Limited			BSE Limited		
	High	Low	Volume	High	Low	Volume
October 2016	198	168.10	2,29,48,860	198	167.55	61,94,176
November 2016	177.85	74	167,29,735	178	74.2	56,56,082
December 2016	115	93.55	96,28,000	114.85	93.6	36,85,384
January 2017	122.80	97.50	50,49,250	122.7	97.5	15,76,850
February 2017	124.50	107	25,49,907	124.5	110.5	5,41,492
March 2017	124.15	103.25	67,73,918	124	103.3	13,80,513

(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchange(s).

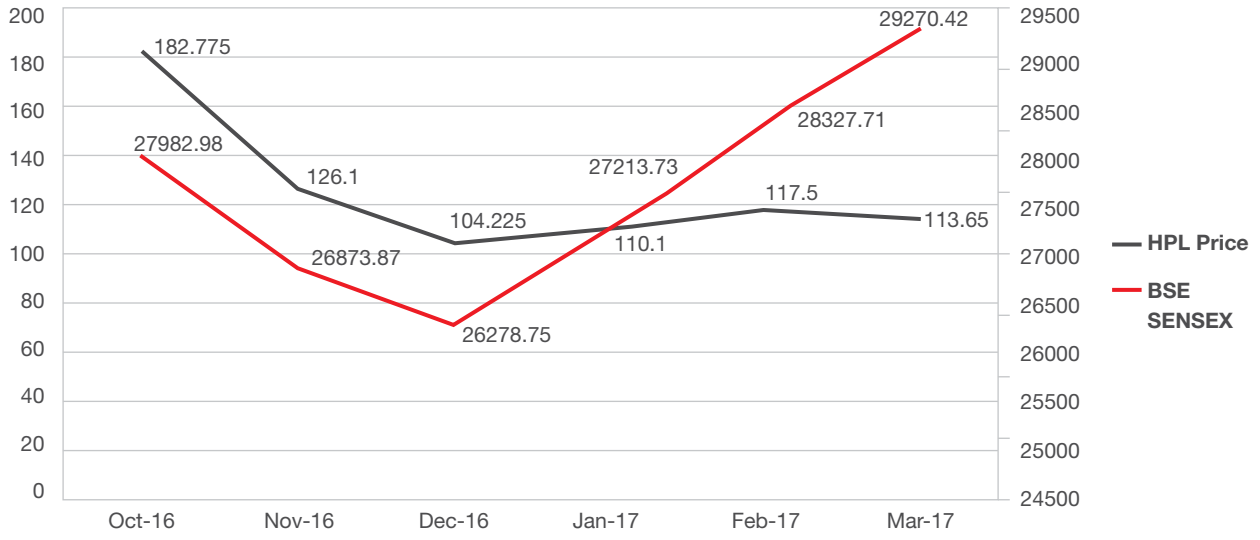
F. Share Price Performance in comparison to broad-based indices BSE sensex, and NSE Nifty 50:

COMPARISON OF HPL PRICE vis-a-vis NIFTY50



(Based on average of High and Low of Share Price and Nifty 50)

COMPARISON OF HPL PRICE VIS-A-VIS BSE SENSEX



(Based on average of High and Low of Share Price and BSE Sensex)

G. In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:

Not applicable.

H. Registrar to an Issue and Share Transfer Agents:

The details of the Registrar & Transfer Agent appointed by the Company are as under:

Name & Address:	Karvy Computershare Private Limited Karvy Selenium Tower B, 6th Floor, Plot 31-32, Financial District, Gachibowli, Nanakramguda, Hyderabad – 500 032
Toll Free No. :	1800-345-4001
Fax:	040-23001153
E-mail :	einward.ris@karvy.com
Website :	www.karvy.com

I. Share Transfer System:

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

In case of shares held in physical form, the transferred share certificates duly endorsed are dispatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects. In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/her.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

J. Distribution of Shareholding:

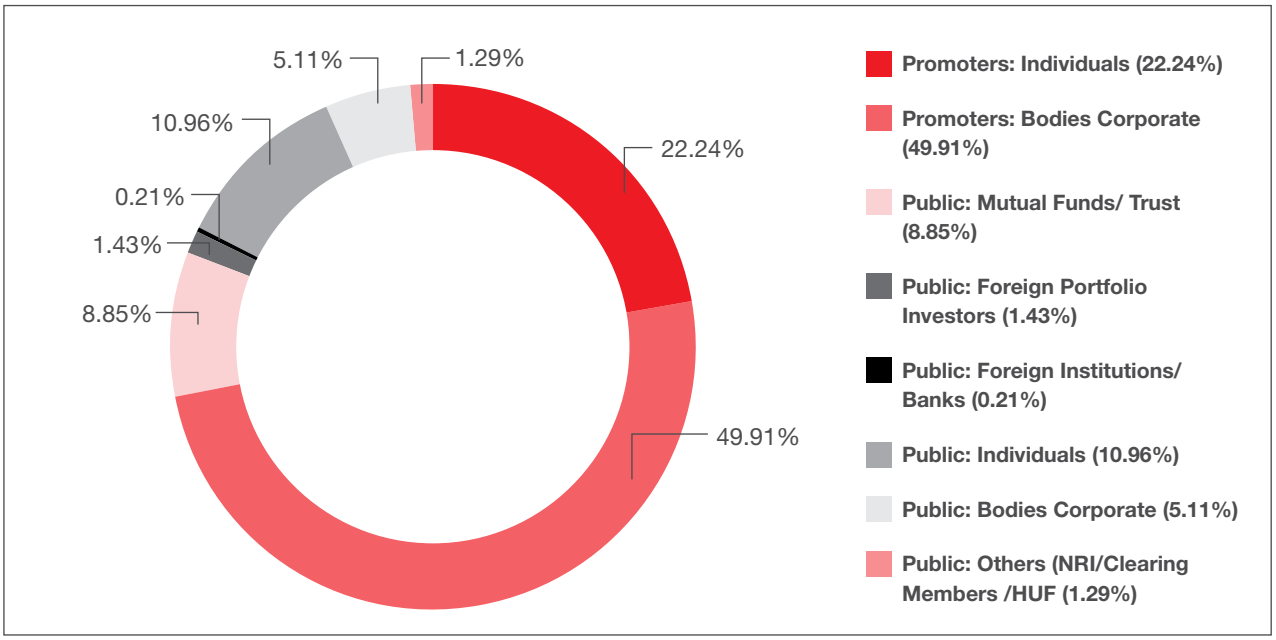
a. Shareholding by size as on March 31, 2017

(Amount in ₹)

Sr. No.	Category (Shares)	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	52239	97.55	43381430.00	6.75
2	5001- 10000	613	1.14	4946940.00	0.77
3	10001- 20000	289	0.54	4495830.00	0.70
4	20001- 30000	97	0.18	2503050.00	0.39
5	30001- 40000	54	0.10	1933940.00	0.30
6	40001- 50000	50	0.09	2383750.00	0.37
7	50001- 100000	80	0.15	5982440.00	0.93
8	100001& Above	130	0.24	577377480.00	89.79
	Total:	**53552**	**100.00**	**643004860.00**	**100.00**

b. Share holding by category as on March 31, 2017

Category of Shareholders	No. of Shareholders	% of Shareholding
Promoters and Promoter Group		
Individuals	14299676	22.24
Bodies Corporate	32092023	49.91
Public		
Mutual Funds/ Trust	5689318	8.85
Foreign Portfolio Investors	920364	1.43
Foreign Institutions/ Banks	135792	0.21
Individuals	7051780	10.96
Bodies Corporate	3288496	5.11
Others (NRI/Clearing Members/HUF)	823037	1.29
	64300486	**100**



K. Dematerialization of shares and liquidity:

The shares of the company are in compulsorily traded in the dematerialized form and are available for trading on both the depositories viz. NSDL and CDSL. The company's shares arre actively traded on the Stock Exchanges.

Number of shares along with percentage held in dematerialized and physical mode as on March 31, 2017 are as follows:

Shares in Demat Form	Number of Shares	Percentage
NSDL	12654416	19.68
CDSL	51646070	80.32
Shares in Physical Form	0	0
Total	64300486	100

L. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

There are no GDRs/ ADRs/ Warrants outstanding as on March 31, 2017

M. Commodity price risk or foreign exchange risk and hedging activities:

The Company has in place Risk Management Policy in order to mitigate foreign exchange risk. Pursuant to this policy natural hedge is maintained and when required forward contracts / cover are also used to cover these exposures.

N. Plant Locations:

Sr No.	Address
1.	Plot No. 132-133, Pace City –I, Sector -37, Gurgaon, Haryana
2	Plot No. 357-Q, Pace City –II, Sector – 37, Gurgaon, Haryana
3	Vill : Shavela, P.O. Jabli, Distt. Solan, Himachal Pradesh
4	Vill: Bigan, Dhaturi Road, Tehsil : Gannaur, Sonepat, Haryana
5	Plot No. 76-B, Phase IV, Sector – 57, HSIIDC Industrail Area, Kundli - 131028, Sonepat, Haryana
6	Main GT Karnal Road Village Bastawa, Tehsil Gharaunda, District Karnal, Haryana
7	Ward No.6, Pachim Boragoan, Guwahati – 781033 District, Kamrup, Assam

O. Address for correspondence:

(A) Company's Address:

Registered & Corporate Office :	1/21, Asaf Ali Road, New Delhi- 110002
Phone :	011 23234411
Fax :	011 23232639
Website :	www.hplindia.com
E-mail :	hplcs@hplindia.com

(B) Registrar & Share Transfer Agent's Address:

Address :	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Toll Free No. :	1800 - 345 - 4001
Fax :	040-23001153
E-mail :	einward.ris@karvy.com
Website :	www.karvy.com

8. OTHER DISCLOSURES

8.1 Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large:

During the financial year 2016-17, there was no materially significant Related Party Transaction with the company's Directors, Promoters, the KMPs, management or their relatives that may have potential conflict with the interests of the Company at large. All related party transactions entered into during the year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and Listing Regulations.

Members may refer to the disclosure of transactions with related parties i.e. Promoters, Directors, Relatives, Associates, subsidiaries, or management made in the Balance Sheet in Note No. 32

The company has framed the policy on the materiality of related party transactions and is available on the website of the company i.e. www.hplindia.com under 'Investor Relations' Section.

8.2 Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has not been penalized, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

8.3 Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has established a Vigil Mechanism /Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder as amended from time to time and Regulation 22 of Listing Regulations for its Directors and Employees to report the genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. During the year under review, no Director or Employee has been denied access to the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy have been uploaded on the website of the Company i.e. www.hplindia.com under "Investor Relations" Section.

8.4 Details of compliance with mandatory requirements and adoption of the non mandatory requirements:

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8.5 Web link where policy for determining 'material' subsidiaries is disclosed:

The policy for determining 'material' subsidiaries is available on the website of the Company under "Policies & Code" in the 'Investor Relations' section and can be accessed at http://www.hplindia.com/policies-and-codes.aspx.

8.6 Web link where policy on dealing with Related Party Transactions:

The policy on dealing with Related Party Transactions is available on the website of the Company under "Policies & Code" in the 'Investor relations' and can be accessed at http://www.hplindia.com/policies-and-codes.aspx.

8.7 Disclosure of commodity price risks and commodity hedging activities:

The Company not importing commodity and hence commodity price risk & Commodity hedging activities not applicable.

8.8 The Company has complied with the requirements of Corporate Governance Report as mentioned in sub paras (2) to (10) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8.9 SUBSIDIARY COMPANY

The company does not have any material non-listed Indian subsidiary company. The Audit committee and Board reviews the financial statements, significant transactions and working of the unlisted subsidiary companies and the minutes are placed before the Board. The company has one unlisted subsidiary company i.e. Himachal Energy Private Limited.

8.10 DISCLOSURE OF THE EXTEND TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:

(i) The Board: Since the company do not have the Non Executive Chairman and hence the provisions on the entitlement of the chairperson's office at the company's expenses in case of Non executive Chairman is not applicable.

(ii) Shareholder Rights: The quarterly and half yearly results are not being sent to the personal address of shareholders as the quarterly performance and financial results of the Company are published in the Newspaper having wide circulation in India. The quarterly/ half-yearly/ annual financial results are also posted on the website of the Company i.e. www.hplindia.com. Also, financial results and shareholding pattern of the Company are available at www.bseindia.com & www.nseindia.com.

(iii) Modified opinion(s) in audit report: The Financial Statements of the Company as on March 31 2017 are Un-modified.

(iv) Separate posts of Chairperson and Chief Executive Officer (CEO): Presently, Mr. Lalit Seth is the Chairman and Managing Director and also CEO of the Company.

(v) Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee.

9. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF SUBREGULATION (2) OF REGULATION 46:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

The company does not have any shares in the demat suspense account or unclaimed suspense account.

DECLARATION PURSUANT TO CLAUSE D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Directors and Senior Management, as approved by the Board, for the Financial Year ended March 31, 2017.

(Lalit Seth)
Chairman and Managing Director
DIN: 00312007

Date: August 14, 2017
Place: Gurugram

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
HPL Electric & Power Limited
1/21, Asaf Ali Road
New Delhi – 110002

We have examined the compliance of Corporate Governance by HPL Electric & Power Limited ("the Company"), for the year ended March 31, 2017, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

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

For **Sahni Mehra & Co.**
Chartered Accountants
Form Registration No. 000609N

Ramesh Sahni
Partner
Membership No. 009246

Date: August 14, 2017
Place: New Delhi

COMPLIANCE CERTIFICATE

The Board of Directors,
HPL Electric & Power Limited
1/21, Asaf Ali Road
New Delhi – 110002

We, Lalit Seth, Chairman and Managing Director and Sudhir Barik, CFO of HPL Electric & Power Limited ('Company') to the best of our knowledge and belief, certify that:

A. We have reviewed the, Standalone and Consolidated financial statements and cash flow statement for the year ended on March 31, 2017 and based on our knowledge and believe certify that:

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

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

B. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year ended on March 31, 2017 which are fraudulent, illegal or violative of the company's code of conduct.

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

D. We have indicated to auditors and the audit committee of the Board that there have been:

   1) no significant changes in internal control over the financial reporting during the year;

   2) no significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and

   3) no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

(Lalit Seth)
Chairman and Managing Director
DIN: 00312007

(Sudhir Barik)
CFO

Date: August 14, 2017
Place: Gurugram

Independent Auditor's Report

To the Members of
HPL ELECTRIC & POWER LTD.

Report on the Financial Statements

We have audited the accompanying financial statement of **HPL ELECTRIC & POWER LTD.** ('the Company') which comprise the balance sheet as at march 31, 2017, statement of Profit and loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these 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 Accounting Standards specified under Section 133 of the Act, as applicable. 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 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 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 there under and the Order under section 143(11) of the Act.

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

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

Opinion

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, of the state of affairs of the Company as at March 31, 2017 and its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   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 March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act; and

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 A"; and

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

i. The company has disclosed the impact of pending litigation on its financial statements.

ii. The company did not have any long term contract including derivative contract for which there were any material foreseeable losses.

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided disclosure in its financial statements as to holding as well as dealing in specified bank notes during the period 8th November 2016 to 30th December 2016 and the same are in accordance with the books of accounts maintained by the company. Refer note no.50 in the notes to financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in term of Sub-Section (11) of Section 143 of the Act, we given in 'Annexure B' a statement on the matters specified on paragraph 3 and 4 of the Order.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi
Date: May 22, 2017

ANNEXURE 'A' To The Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting 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 **HPL ELECTRIC & POWER LTD.** ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statement of the company for the year then ended and as on that date.

Management's Responsibility for the 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 on 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 (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Notes, to the extant applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statement, 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 controls 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 purpose in accordance with generally accepted accounting principles. A company's internal financial controls 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 statement in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisation of the 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 limitation 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 controls over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi
Date: May 22, 2017

ANNEXURE 'B' To The Independent Auditors' Report

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of HPL ELECTRIC & POWER LTD. ('the Company)

(1) In respect of the Company's fixed assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, on our opinion, provides physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(2) As explained to us, the inventories were physical verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(3) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(5) The company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provision of the clause 3(v) of the Order are not applicable to the Company.

(6) We have broadly reviewed the books of accounts maintained by the company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records have been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained.

(7) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrear as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us by the management and records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Service Tax and Excise Duty as at March 31, 2017 which have not been deposited on account of dispute, are given below:

	Nature of dues	Financial year to which the matter pertains	Forum where the Dispute is pending	Amount (₹ in Lakhs)
Service Tax	Service Tax	2007-2008 to 2010-2011	CESTAT, New Delhi.	22.83
Service Tax	Service Tax	2008-09	CESTAT, New Delhi.	132.59
Central Excise Act,1944	Excise Duty	2007-2008	CESTAT, New Delhi.	10.40
Central Excise Act,1944	Excise Duty	2007-2008	CESTAT, New Delhi.	45.37
Central Excise Act,1944	Excise Duty	2008-2009	Addl. Comm, LTU, New Delhi.	16.40
Service Tax	Service Tax	2012-2013 to 2016-17	Comm. (A), LTU, Delhi	2.54
Haryana VAT, 2003	Sales Tax	2008-2009	Haryana Tax Tribunal, Chandigarh.	25.51
Haryana VAT, 2003	Sales Tax	2011-2012	Jt.Comm.(A), Ambala	4.38
Haryana VAT, 2003	Sales Tax	2010-2011	Jt.Comm.(A),Rohtak.	17.82
Haryana VAT,	Sales Tax	2009-2010	Haryana Tax Tribunal, Chandigarh.	4.78
Service Tax,	Service Tax	2011-2012	CESTAT, New Delhi.	1.13
Haryana VAT,	Sales Tax	2011-2012	Haryana Tax Tribunal, Rohtak.	18.45
Haryana VAT,	Sales Tax	2011-2012	Haryana Tax Tribunal, Sonepat.	23.19
Central Excise Act,1944	Excise Duty	2009-10 to 2015-16	Comm. (A),New Delhi.	84.11
Central Excise Act,1944	Excise Duty	2001-02 to 2004-05	CESTAT New Delhi	50.19
Haryana VAT,	Sales Tax	2012-13	Haryana Tax Tribunal, Rohtak	10.06
Haryana VAT,	Sales Tax	2010-11	Haryana Tax Tribunal, Rohtak	49.22
Service Tax,	Service Tax	2010-11 to 2014-15	CESTAT, New Delhi.	163.04
Service Tax,	Service Tax	2015-16	CESTAT, New Delhi.	1.34
Employee ‘s Provident Fund Act 1952	EPF	Demand For EPF	EPF Appelllate,Truibunal New Delhi	8.87
Liability towards banks against receivable by buyouts	Liability towards banks	Liability towards banks against receivable buyouts Facility	Banks	4600.00

(8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loan or borrowing to banks. The Company does not have any loans or borrowing from financial institutions or government and has not issued any debentures.

(9) In our opinion and according to the information and explanations given to us the monies raised by way of IPO, have been applied for the purposes for which they were obtained. Further, the Company has not obtained any term loan during the year.

(10) To the best of our knowledge and according to the information and explanations to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(11) In our opinion and according to the information and explanations given to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.

(12) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(13) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture and hence reporting under clause 3(XIV) of the Order is not applicable to the Company.

(15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the act are not applicable.

(16) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi
Date: May 22, 2017

Balance Sheet

as at March 31, 2017

(Amount in ₹)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Share Holder's Fund			
(a) Share Capital	2	643,004,860	464,291,990
(b) Reserves & Surplus	3	6,495,893,540	3,088,514,046
		7,138,898,400	**3,552,806,036**
Non-Current Liabilities			
(a) Long Term Borrowings	4	2,638,764	1,162,136,288
(b) Deferred Tax Liability (Net)	5	256,011,749	237,278,339
(c) Other Long Term Liabilities	6	145,460,174	137,569,239
(d) Long Term Provisions	7	55,066,224	50,079,757
		459,176,911	**1,587,063,623**
Current Liabilities			
(a) Short Term Borrowings	8	3,291,024,282	4,313,863,060
(b) Trade Payables	9	2,542,074,245	3,320,624,641
(c) Other Current Liabilities	10	210,018,057	534,872,662
(d) Short Term Provisions	7	89,168,093	76,304,936
		6,132,284,677	**8,245,665,299**
		13,730,359,988	**13,385,534,958**
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	3,494,558,488	3,496,213,189
(ii) Intangible Assets		327,083,940	-
(iii) Capital Work in Progress		-	27,531,805
(b) Non-Current Investments	12	540,000,000	540,040,000
(c) Long Term Loans and Advances	13	44,989,341	90,962,843
		4,406,631,769	**4,154,747,837**
Current Assets			
(a) Inventories	14	3,430,878,553	3,000,998,633
(b) Trade Receivables	15	4,605,096,073	5,061,350,433
(c) Cash and Bank Balances	16	593,936,592	584,696,316
(d) Short Term Loans & Advances		678,080,192	568,674,075
(e) Other Current Assets	17	15,736,809	15,067,665
		9,323,728,219	**9,230,787,122**
		13,730,359,988	**13,385,534,958**

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 53)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

For and on behalf of Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

Statement of Profit and Loss

for the year ended March 31, 2017

(Amount in ₹)

Particulars		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I.	**Revenue from operations (Gross)**	18	10,367,464,030	12,438,661,534
	Less: Excise Duty		1,102,657,514	1,286,036,643
	Revenue from operations (Net)		**9,264,806,516**	**11,152,624,891**
II.	Other income	19	44,907,063	48,556,235
III.	**Total Revenue (I + II)**		**9,309,713,579**	**11,201,181,126**
IV.	**Expenses:**			
	Cost of materials consumed	20	5,604,953,508	7,460,307,504
	Purchase of Stock-in-Trade	20(a)	595,221,570	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(3,466,807)	(53,564,523)
	Employee Benefits Expenses	22	1,069,542,758	1,066,952,674
	Finance Cost	23	609,120,182	782,371,091
	Depreciation and Amortization Expenses	11	214,589,189	193,648,642
	Other Expenses	24	914,549,103	1,263,263,479
	Total expenses		**9,004,509,504**	**10,712,978,867**
V.	**Profit before tax (III-IV)**		305,204,075	488,202,259
VI.	**Tax Expense:**			
	(1) Current tax		65,135,433	104,190,000
	(2) Deferred tax		18,733,410	51,998,231
	(3) Mat Credit entitlement		(3,050,211)	(38,410,000)
VII.	**Profit for the year (V-VI)**		**224,385,443**	**370,424,028**
VIII.	Earnings per equity share of `10/- each	25		
	(1) Basic		4.05	7.98
	(2) Diluted		4.05	7.98

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 53)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

For and on behalf of Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

Cash Flow Statement

for the period Ended March 31, 2017

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	305,204,075	488,202,259
Adjustments for :		
- Depreciation and amortisation Expenses	214,589,189	193,648,642
- Finance Expenses	609,120,182	782,371,091
- Interest Income	(42,645,008)	(39,965,860)
- Loss / (Profit) on Sale of Fixed Assets	2,622,388	149,809
Operating profit before working capital changes	1,088,890,826	1,424,405,941
Adjustments for :		
Decrease/(Increase) in Trade receivables	456,254,360	(1,043,259,780)
Decrease/(Increase) in Security Deposits	45,973,502	57,659,906
Decrease/(Increase) in Short Term Advances	(105,158,146)	(30,692,548)
Decrease/(Increase) in Other Current Assets	(669,144)	(8,002,625)
(Decrease)/Increase in Inventories	(429,879,920)	(89,571,416)
(Decrease)/Increase in Short Term Provision	18,451,266	479,641
(Decrease)/Increase in Securities Deposits	7,890,935	(34,604,672)
(Decrease)/Increase in Long Term Provision	4,986,467	34,106,147
(Decrease)/Increase in Other Current Liabilities	(324,854,605)	131,272,779
(Decrease)/Increase in Trade Payables	(778,550,396)	759,520,113
Cash Generated from operations	(16,664,855)	1,201,313,486
- Taxes Paid (Net of Refunds)	(66,333,193)	(83,853,402)
NET CASH FROM OPERATING ACTIVITIES	**(82,998,048)**	**1,117,460,084**
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(517,101,280)	(499,150,298)
- Sale of Investment (Net)	40,000	(389,372,950)
- Proceeds from Sale of fixed assets	1,992,268	38,361
- Capital Advance (Net of Capital Creditors)	-	(67,511,448)
- Interest Income Received	42,645,008	39,965,860
NET CASH USED IN INVESTING ACTIVITIES	**(472,424,003)**	**(916,030,475)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from issuance of Share Capital	3,361,706,920	-
- Proceeds from Working Capital Loan (Net)	(1,022,838,778)	415,183,298
- Proceeds from Secured Long Term Loan (Net)	(1,159,497,524)	208,471,237
- Finance Expenses	(609,120,182)	(782,371,091)
- Dividends Paid on equity shares	(4,642,919)	(1,857,168)
- Tax on Dividends Paid on equity shares	(945,190)	(378,076)
NET CASH USED IN FINANCING ACTIVITIES	**564,662,327**	**(160,951,800)**
Net changes in cash & cash equivalents (A+B+C)	9,240,276	40,477,809
Cash & Cash equivalents - Opening balance	584,696,316	544,218,507
Cash & Cash equivalents - Closing Balance	593,936,592	584,696,316

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 53)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

For and on behalf of Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

Statement of Significant Accounting Policies

(Annexed to and forming part of the Financial Statements for the year ended March 31, 2017)

COMPANY OVERVIEW

HPL Electric & Power Limited (Formerly HPL Electric & Power Private Limited) ('The Company') is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/21, Asaf Ali Road, New Delhi. The Company is one of the leading players and India's fastest growing electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Energy Saving Meters, CFL & LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches covering the entire range of household, commercial and industrial electrical needs. The Company's manufacturing facilities are located at 6 locations, 2 units at Gurgaon, 1 unit at village Bastara, Tehsil Gharaunda, Karnal, 1 unit at village Bhigan, Ganauar, Sonipat, 1 unit at Kundli in Haryana and 1 unit at village Shavela, Jabli in Himachal Pradesh.

The Company has R&D facilities located at Gurgaon and Kundli in Haryana, approved by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology.

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

The financial statement have been prepared under historical cost convention on accrual basis of accounting in accordance with the applicable accounting principles in India including the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014.

B) 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 result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

C) Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use.

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.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible Assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible Assets are recorded for the expenditure which qualifies the recognition criteria set out in the AS-26 as notified under section 133 of the Companies Act, 2013 read with rules 7 of the Company (Accounts) Rules, 2014.

D) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is charged proportionately.

The depreciation on assets for a value not exceeding ₹ 5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

Intangible Assets are amortized on a straight line basis over their estimated useful life of 6-10 years.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

E) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. 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. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

F) Inventories

a) Items of inventories i.e. Raw Material, Work-in-Progress and Finished Goods are measured at lower of cost or net realizable value.

b) The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.

c) Purchased Goods-in-transit are carried at cost.

d) Stores and Spares are valued at lower of cost or net realizable value.

e) Inventory of Finished Products which are excisable is valued inclusive of Excise Duty.

G) Revenue Recognition

The company recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount/ trade obligations and sales tax. Export sales are recognized on the date of shipping/Air Way Bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis.

Interest income/expenses are recognized using the time proportion method based on the rate implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

H) Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

I) Research & Development

All expenditure other than Capital Expenditure on Research & Development is charged to the statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research & Development is included under Fixed Assets.

J) Retirement Benefits

Short-term employee benefits are recognized as an expense and charged to the statement of profit and loss of the year in which related service is rendered. The liability for leave encashment is in the nature of short term employee benefits which is provided for on the basis of estimation made by the management.

Defined Contribution Plans-The company has defined contribution plans for the post employment benefits namely provident fund scheme. The company's contribution in the above plans is charged to revenue every year.

Defined Benefit Plans-The company has Defined Benefit Plan namely Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as an expense immediately.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss.

K) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as 'Current Investments'. All other Investments are classified as 'Non-Current Investments'. Current Investments are carried at cost or fair value of each investments individually. Non-current Investments are carried at cost less provisions to recognize any decline, other than temporary, in the carrying value of the investments.

L) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

M) Cash Flow

Cash Flow are reported according to the indirect method as specified in the Accounting Standard-3(Revised), Cash 'Flow Statement', notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

N) Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Taxes

Provision for current income tax is recognized in accordance with the provisions of Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matters under appeal, full provision is made in the financial statement when the Company accepts its liability.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet date.

The Company is eligible for tax holiday under section 80-IC (Notification No. SO 1269 (E) dated 04.11.2003) of the Income Tax Act, 1961. In this regard, the Company recognized deferred taxes in respect of those originating timing differences, which reverse after tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and therefore, no deferred taxes is recognized in respect of the same.

O) Lease

Financial lease

Assets acquired on financial lease, including assets acquired on hire purchase, have been recognized as an asset, and a liability at the inception of the lease has been recorded of an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the payment of minimum lease payments have been apportioned between finance charge / (expenses) and principal repayment.

Assets given on financial lease are shown as amounts recoverable from the lessee. The rent received on such leases is apportioned between the financial charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognized as income and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the assets.

Operating lease

Lease rent in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss as and when incurred.

P) Foreign Currency Transactions, Derivative instruments And Hedge Accounting

a) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing at the end of month, which approximates the rate on the date of transaction.

Gain/ loss arising out of fluctuations in foreign exchange rates between the transaction date and settlement date are recognized in the Statement of profit and loss.

Monetary items denominated in foreign currency are restated at the exchange rate prevailing at the year end and the overall net gain/ loss are adjusted to the Statement of profit and loss.

b) Derivative Instruments and Hedge Accounting

The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The company designates these as cash flow hedges applying the principles set out in the Accounting Standard 30 “Financial Instruments: Recognition Measurement” (AS-30).

Foreign currency derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholder’s funds and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discounted when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At the time of forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholder’s funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders’ funds is transferred to the Statement of Profit and Loss for the period.

Q) Earnings Per Share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity

shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

R) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Product warranty costs are accrued in the year of sale of products, based on past experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

S) Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are compiled and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

T) Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17, “Segment Reporting”.

1) Identification of Segments:
Primary- Business Segment
The Company has identified four reportable segments viz. Electronic Energy Static Meters, Switchgears, Lighting and Cables on the basis of the nature of products
The risk and return profile of individual business & the internal Business reporting systems.

2) Secondary- Geographical Segment
The analysis of geographical segment is based on geographical location of the customers.

3) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocated”.

4) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Unallocated”.

U) Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

Notes to Accounts

forming part of the Financial Statements as on March 31, 2017

2 Share Capital

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Authorized		
70,000,000 Equity Shares of ₹ 10/- each	700,000,000	700,000,000
(Previous year 70,000,000 Equity Shares of ₹ 10/- each)		
(b) Issued, Subscribed & Paid Up		
64,300,486 Equity Shares of ₹ 10/- each fully paid up	643,004,860	464,291,990
(Previous year 46,429,199 Equity Shares of ₹ 10/- each fully paid up)		
Total	**643,004,860**	**464,291,990**

(c) Reconciliation of share capital at the beginning and close of the accounting period ended March 31, 2017:-

Particulars	As At March 31, 2017 Equity Shares		As at March 31, 2016 Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	46,429,199	464,291,990	18,571,679	185,716,790
Shares Issued during the period	17,871,287	178,712,870	27,857,520	278,575,200
Shares outstanding at the end of the period	64,300,486	643,004,860	46,429,199	464,291,990

(d) Rights, Preferences and Restrictions attached to the shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Dvidend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Shareholders holding more than 5% shares in the company :-

Name of Shareholder	As At March 31, 2017 Equity Shares		As at March 31, 2016 Equity Shares	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	7,703,098	11.98	7,703,098	16.59
HPL India Ltd.	11,738,238	18.26	11,738,238	25.28
Havell's Pvt. Ltd.	2,842,655	4.42	2,842,655	6.12
Havell's Electronics Pvt. Ltd	11,652,130	18.12	11,652,130	25.10
Himachal Energy Pvt. Ltd.	5,625,000	8.75	5,625,000	12.12

(f) Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:

Particulars	March 31, 2017 No. of shares Face value ₹ 10/-	March 31, 2016 No. of shares Face value ₹ 10/-
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account	27,857,520	27,857,520

3 Reserves and Surplus

(Amount in ₹)

(a) Securities Premium Account	As at March 31, 2017	As at March 31, 2016
Opening Balance	477,140,780	755,715,980
Add : Received on issue of equity shares	3,431,287,104	
Less : Utilized on issue of Bonus shares	-	278,575,200
Less : Utilized for writing off share issue expenses	248,293,053	-
Closing Balance	**3,660,134,831**	**477,140,780**

(Amount in ₹)

(b) General Reserve	As at March 31, 2017	As at March 31, 2016
Opening Balance	257,131,417	242,131,417
(+) Current Year Transfer	-	15,000,000
Closing Balance	**257,131,417**	**257,131,417**

(c) Surplus	As at March 31, 2017	As at March 31, 2016
Opening balance	2,354,241,849	2,004,405,929
(+) Net Profit/(Loss) For the current period	224,385,443	370,424,029
(-) Proposed Dividend	-	4,642,919
(-) Tax on Proposed Dividend	-	945,190
(-) Transfer to General Reserve	-	15,000,000
Closing Balance	**2,578,627,292**	**2,354,241,849**
Total Reserves & Surplus (a+b+c)	**6,495,893,540**	**3,088,514,046**

4 Long Term Borrowings

(Amount in ₹)

Particulars	Non-Current		Current Maturities	
	As At March 31, 2017	As at March 31, 2016	As At March 31, 2017	As at March 31, 2016
Secured				
Term Loan	-	721,666,662	-	138,333,338
Corporate Loan	-	440,469,626	-	174,999,992
Other Loans				
Vehicle loans - from banks*	2,638,764	-	1,295,366	649,946
Total	**2,638,764**	**1,162,136,288**	**1,295,366**	**313,983,276**

* Vehicles loans are secured against hypothecation of respective vehicles and are repayable in maximum 36 instalments and last date of installment is Dec. 2019. The loan carries an interest rate @ 9.10% pa.

5 Deferred Tax Liability

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability (Refer Note no:-38):		
Opening Balance	237,278,339	185,280,108
Addition :- Deferred Tax Liability / (Assets)	18,733,410	51,998,231
Total	**256,011,749**	**237,278,339**

6 Other Long Term Liabilities

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Security deposit received	145,460,174	137,569,239
Total	**145,460,174**	**137,569,239**

7 Provisions

(Amount in ₹)

Particulars	Long-term		Short-term	
	As At March 31, 2017	As at March 31, 2016	As At March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits				
Gratuity	28,506,224	29,019,757	3,231,982	2,197,301
Leave Encashment	-	-	49,119,824	37,199,526
(b) Other Provisions				
Proposed Equity Dividend	-	-	-	4,642,919
Provision for tax on Proposed Dividend	-	-	-	945,190
Provision for Warranties	26,560,000	21,060,000	36,816,287	31,320,000
Total	**55,066,224**	**50,079,757**	**89,168,093**	**76,304,936**

8 Short Term Borrowings

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Loans repayable on demand		
-Secured Loans		
- From Banks	1,091,024,282	3,613,863,060
-Unsecured Loans		
- From Banks	2,200,000,000	700,000,000
Total	**3,291,024,282**	**4,313,863,060**

* Working capital facilities (fund based and non-fund based) are secured by way of first pari-passu charge over entire current assets of the company including receivables both present and future and first charge on pari-passu basis over Company's fixed assets other then two properties (Land & Building) situated at Plot No. 357-Q, Sector-37-II, Gurgaon, Haryana and at Vill: Basdhara, Tehsil: Gharaunda, distt. Karnal, Haryana on which working capital lenders have second charge on pari-passu basis and also secured by personal guarantee of promoter directors.

9 Trade Payables

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Payables		
(a) Due to Micro and Small Enterprises under MSMED Act, 2006*	252,148,700	349,666,845
(b) Others	2,289,925,545	2,970,957,796
Total	**2,542,074,245**	**3,320,624,641**

* Refer note no. 34

10 Other Current Liabilities

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term debt	1,295,366	313,983,276
Expenses Payable	38,237,483	45,185,673
Interest Accrued & Due	1,591,507	12,063,539
Employee Benefits Payable	69,613,133	73,041,346
T.D.S. Payable	26,381,108	20,903,199
Service Tax Payable	4,711,525	3,897,881
Sales Tax Payable	61,819,366	61,377,062
Contribution to PF & ESI	6,368,570	4,420,686
Total	**210,018,057**	**534,872,662**

11 FIXED ASSETS

(Amount in ₹)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		As at 01.04.2016	Additions	Adjustment	As at 31.03.2017	As at 01.04.2016	For the period	Adjustments	Total 31.03.2017	As on 31.03.2017	As on 31.03.2016
A	TANGIBLE										
1	Freehold Land	536,178,345	-	-	536,178,345	-	-	-	-	536,178,345	536,178,345
2	**Building**	1,088,431,639	10,165,937	-	1,098,597,576	111,987,167	34,707,184	-	146,694,351	951,903,225	976,444,472
3	**Plant & Machinery ***	2,480,927,234	178,181,074	6,148,726	2,652,959,582	616,432,314	159,510,590	2,381,485	773,561,419	1,879,398,163	1,864,494,920
4	**Furniture & Fittings**	64,583,246	6,531,569	-	71,114,815	28,932,511	5,903,451	-	34,835,962	36,278,853	35,650,735
5	Office Equipment's	118,849,575	3,941,707	523,063	122,268,219	58,289,305	5,436,838	100,556	63,625,586	58,642,632	60,560,270
6	Vehicles	47,833,559	16,703,471	2,079,610	62,457,420	24,949,113	7,005,739	1,654,704	30,300,148	32,157,272	22,884,446
	TOTAL (A)	**4,336,803,598**	**215,523,757**	**8,751,399**	**4,543,575,957**	**840,590,410**	**212,563,802**	**4,136,745**	**1,049,017,467**	**3,494,558,490**	**3,496,213,189**
	Previous Year (A)	3,714,951,462	471,618,493	275,880	4,186,294,076	647,029,479	193,648,641	87,710	840,590,410	3,345,703,666	3,067,921,893
B	**INTANGIBLE**										
1	Software & Designs	12,819,562	329,109,327		341,928,889	12,819,562	2,025,388		14,844,950	327,083,940	-
	TOTAL (B)	**12,819,562**	**329,109,327**	**-**	**341,928,889**	**12,819,562**	**2,025,388**	**-**	**14,844,950**	**327,083,940**	**-**
	Previous Year (B)	12,819,562	-	-	12,819,562	12,819,562	-	-	12,819,562	-	-
C	**CAPITAL WORK IN PROGESS**										
1	Machinery	27,531,805	-	27,531,805	-				-	-	27,531,805
	TOTAL (C)	**27,531,805**	**-**	**27,531,805**	**-**	**-**	**-**	**-**	**-**	**-**	**27,531,805**
	Previous Year (C)	290,348,740	-	290,348,740	-	-	-	-	-	-	290,348,740
	CURRENT YEAR (A+B+C)	**4,377,154,965**	**544,633,085**	**36,283,204**	**4,885,504,846**	**853,409,972**	**214,589,189**	**4,136,745**	**1,063,862,416**	**3,821,642,430**	**3,523,744,994**
	PREVIOUS YEAR (A+B+C)	3,727,771,024	499,150,299	275,880	4,226,645,443	659,849,041	193,648,641	87,710	853,409,972	3,345,703,666	3,358,270,633

Note :-

Additions to fixed assets include assets for ₹ 1,098,525/- (P.Y. ₹ 4,662,745/-) acquired for Research & Development.

* In accordance with the revised accounting standard AS 10, "Property, Plant and Equipment" the Company has reclassified from inventory to "Property, Plant and Equipment" items of spare parts used for servicing of goods, amounting to ₹ 150,509,521. The reclassified spare parts are expected to be used for more then 12 months period and accorrdingly previous years figures have been regrouped/rearranged (Please refer Note No.41).

12 Non-Current Investments

(Amount in ₹)

Particulars	As At March 31, 2017	As at March 31, 2016
Trade Investments (Valued at Cost)		
Investment in Equity instruments (Unquoted)		
HPL Projects Portfolio Pvt Ltd.		
(Pr. Year 10 nos. of Face value of ₹ 10/ each)	-	15,000
Investment in Subsidiary		
Himachal Energy Pvt Ltd	540,000,000	20,000
15,000,000 nos. of Equity Shares of ₹ 10/ each)		
(Pr. Year 20 nos. of Face value of ₹ / each)		
Investments in Preference Shares		
(P.Y 500 10% Comulative Compulsorily Redeemable Preference Shares in Himachal Energy Pvt Ltd.)	-	5,000
Investment In Debentures		
Himachal Energy Pvt Ltd	-	540,000,000
(P Y. 1,50,00,000 optionable convertible debentures Face value of ₹ 10/- each)		
Total	**540,000,000**	**540,040,000**

(Amount in ₹)

Particulars	As At March 31, 2017	As at March 31, 2016
Aggregate amount of unquoted investments	540,000,000	540,040,000

13 Loans and advances

(Amount in ₹)

	Non-current		Current	
Long Term Loans and Advances	As At March 31, 2017	As at March 31, 2016	As At March 31, 2017	As at March 31, 2016
Security Deposits				
Unsecured, considered good	44,989,341	23,451,396	-	-
Capital advances to associates	-	67,511,447		
Other loans and advances				
Unsecured, considered good				
Income Tax	-	-	123,628,989	119,381,018
Prepaid Expenses	-	-	57,706,732	60,697,334
Balance with Excise Authorities	-	-	102,235,085	56,170,708
Vat Recoverable	-	-	10,893,010	10,562,113
Other Advances	-	-	45,256,690	49,762,202
Earnest Money Deposit	-	-	146,864,309	115,258,420
Advance to Suppliers			191,495,378	156,842,280
Total	**44,989,341**	**90,962,843**	**678,080,192**	**568,674,075**

14 Inventories

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Raw Materials and components		
(i) In Hand	1,396,716,063	1,113,209,454
(ii) Material-in-transit	14,254,894	20,867,597
b. Work-in-progress	914,568,889	885,222,738
c. Finished goods	1,103,008,192	978,378,012
d. Stores and spares	2,330,515	3,320,832
Total	**3,430,878,553**	**3,000,998,633**

15 Trade Receivables

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables (Unsecured) consist of the following:		
(a) Over six months from the date they were due for payment		
(i) Considered good	183,536,322	71,261,623
(ii) Considered doubtful	43,070,247	38,160,797
(b) Others		
(i) Considered good*	4,421,559,751	4,990,088,810
	4,648,166,320	5,099,511,230
Less: Provision for doubtful receivables	(43,070,247)	(38,160,797)
Unsecured, considered good		
Total	**4,605,096,073**	**5,061,350,433**

* includes from subsidiary company ₹ 85,294,681 (P.Y. ₹ 149,033,335) and from companies where directors are interested ₹ 378,037,751 (P.Y. ₹ 637,332,501) Refer note no.32.

16 Cash and Bank Balances

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash equivalents		
Balances with banks:		
In Current Accounts	88,296,117	88,993,373
Deposits with maturity of less than three months		
Cash in hand	18,328,700	11,091,711
	106,624,817	**100,085,084**
Other Bank Balances		
Balances with Banks held as Margin Money	487,311,775	484,611,232
	487,311,775	**484,611,232**
Total	**593,936,592**	**584,696,316**

17 Other Current Assets

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Duty Drawback Recoverable	1,426,267	1,683,191
Other Recoverable	911,457	39,640
Insurance claim Recoverable	13,399,084	13,344,834
Total	**15,736,809**	**15,067,665**

18 Revenue from operation

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Sale of Products		
Finished Goods	9,756,929,178	12,438,661,534
Traded Goods	610,534,852	-
Total	**10,367,464,030**	**12,438,661,534**

19 Other Income

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income {(TDS ₹ 4,199,326/-)(P.Y. ₹ 3,997,302/-)}	42,645,008	39,965,860
Other non-operating income (net of expenses directly attributable to such income)	2,262,055	8,590,375
Total	44,907,063	**48,556,235**

20 Consumption of Raw Materials & Components

Particulars	Year ended March 31, 2017 ₹	%	Year ended March 31, 2016 ₹	%
i) Raw Materials consumption				
Indigenous	3,331,595,898	59.44	4,573,802,005	61.31
Imported	2,273,357,610	40.56	2,886,505,499	38.69
Total	**5,604,953,508**	**100.00**	**7,460,307,504**	**100.00**

20(i) Particulars of Raw Materials Consumed

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Copper	1,119,789,957	1,304,692,956
Electronic Components	2,980,201,730	3,269,897,832
Engineering Plastic	779,372,720	1,115,798,928
Packing	136,918,139	158,710,035
Others	588,670,962	1,611,207,753
Total	**5,604,953,508**	**7,460,307,504**

20(a)Purchase of Traded Goods

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Metering	81,720,960	-
Lighting & Electronics	513,500,610	-
Total	**595,221,570**	**-**

21 Changes in Inventories of Finished Goods and Work-in-Progress and Stock-in- Trade

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Inventories (at close)		
Finished Goods	1,103,008,192	978,378,012
Work-in-Progress	914,568,889	1,035,732,261
	2,017,577,080	**2,014,110,273**
Inventories (at commencement)		
Finished Goods	978,378,012	966,917,792
Work-in-Progress	1,035,732,261	993,627,958
	2,014,110,273	**1,960,545,750**
Total	**(3,466,807)**	**(53,564,523)**

22 Employee Benefits Expenses

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Salaries and wages	1,017,873,154	1,006,265,455
(ii) Contribution to provident and other funds	25,057,727	21,731,544
(iii) Staff welfare expenses	26,611,878	38,955,675
Total	1,069,542,758	**1,066,952,674**

23 Finance Cost

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Expenses	533,850,669	694,186,843
Other borrowing costs- Bank Charges	75,269,513	88,184,248
Total	609,120,182	**782,371,091**

24 Other Expenses

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of stores and spare parts	343,190	4,101,525
Power and Fuel	122,325,386	139,942,219
Rent	36,373,974	32,193,608
Repairs to Buildings	2,608,670	4,250,381
Repairs to Machinery	17,945,344	18,987,809
Research & Development Expenses	74,846,887	67,788,779
Installation Expenses	47,896,863	62,506,319
Testing Expenses	19,524,407	38,362,625
Rates and taxes excluding taxes on income	13,250,558	1,969,556
Legal & Professional Expenses	36,225,365	23,706,403
Travelling & Conveyance	150,978,704	193,708,008
Communication Expenses	21,954,596	16,808,814
Printing & Stationery	7,537,156	8,241,700
Repairs & Maintenance (Others)	28,989,848	31,035,721
Insurance	5,378,770	12,083,689
Membership & Subscription	1,303,512	1,102,873
Selling & Distribution Expenses	296,077,463	570,918,513
Product Warranty	25,500,000	31,281,471
Loss on sale of Fixed Assets	2,622,388	149,809
Donation	904,100	2,591,800
Auditor's Remuneration	900,000	900,000
Miscellaneous Expenses	1,061,922	631,857
Total	914,549,103	**1,263,263,479**

25 As required by the Accounting Standard-20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earnings per Share is as follows :

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Profit after tax	224,385,443	370,424,029
(ii) Weighted average number of equity shares for basic EPS	55,364,843	46,429,199
(iii) Weighted average number of equity shares for dilutive EPS	55,364,843	46,429,199
(iv) Nominal value per Equity Shares	10	10
(v) Earning Per Share (Basic)	4.05	7.98
(vi) Earning Per Share (Dilutive)	4.05	7.98

26 Auditor's Remuneration

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Audit Fees	720,000	720,000
Tax Audit Fees	180,000	180,000

27 C.I.F. Value of imports

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
I. Raw materials;	2,800,560,521	3,033,094,891
II. Capital goods	29,547,602	27,465,990

28 Expenditure in foreign currency

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Travelling	2,560,338	1,399,902

29 Earnings in foreign currency

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sales on FOB basis	772,101,556	142,407,590

30 Research & Development Expenditure

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Capital Expenditure	1,098,525	4,662,745
	1,098,525	**4,662,745**
(ii) Revenue Expenditure		
a) Employee Cost	65,256,586	59,581,761
b) Staff Welfare	1,660,417	1,049,882
c) Purchase of Raw Materials	3,858,216	3,009,733
d) Electricity Expenses	644,423	969,855
e) Communication Expenses	449,363	219,645
f) Travelling & Conveyance	850,276	1,387,206
g) Repair & Maintenance	1,527,606	1,261,144
h) Consultancy Expenses	600,000	-
i) Sample Testing	-	309,545
	74,846,887	**67,788,771**
Total	75,945,412	72,451,516

31 Particulars of Sale of products (gross)

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Finished goods		
Metering	**4,485,629,619**	**5,803,589,683**
Switch Gears	1,983,094,361	1,916,967,206
Lighting & Electronics	1,823,054,454	2,983,168,766
Cables	1,465,150,745	1,734,935,879
	9,756,929,178	**12,438,661,534**
Traded goods		
Metering	81,789,077	-
Lighting & Electronics	528,745,775	-
	610,534,852	**-**
Total	**10,367,464,030**	**12,438,661,534**

32 Related Party Disclosure

Disclosures in terms of the Accounting Standard 18 are as under :-

(i) Name of related parties with and description of relationship :

Subsidiary Company :

Himachal Energy Pvt. Ltd.

(A) Associates :

(1) HPL Projects Portfolio Pvt Ltd.
(2) HPL India Ltd.
(3) LK HPL Pvt. Ltd.
(4) HPL Power Corporation Ltd.
(5) Havells Electronics Pvt. Ltd.
(6) Amerex India Pvt. Ltd.
(7) Jesons Impex Pvt. Ltd.
(8) Amerex Pvt. Ltd.
(9) Havells Pvt. Ltd.

(B) Key Management Personnel :

(1) Mr. Lalit Seth
(2) Mr. Rishi Seth
(3) Mr. Gautam Seth
(4) Mr. C.P.Jain
(5) Mr. Vinod Ratan
(6) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth (2) Mrs. Pooja Seth
(3) Mrs. Vani Seth

(D) Joint Ventures

(1) HPL Electric & Power Pvt.Ltd.- Shriji Designs (JV)
(2) HPL Electric & Power Pvt.Ltd. -Trimurthi Hitech Co. Pvt. Ltd.- Shriji Designs (JV)

(ii) Related parties with whom transactions made during the period and description of relationship :

(A) Associates :

(1) HPL Projects Portfolio Pvt Ltd. (2) HPL India Ltd.
(3) Havells Electronics Pvt. Ltd.

(B) Key Management Personnel :

(1) Mr. Lalit Seth (2) Mr. Rishi Seth
(3) Mr. Gautam Seth (4) Mr. C.P.Jain
(5) Mr. Vinod Ratan (6) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth (2) Mrs. Pooja Seth
(3) Mrs. Vani Seth (3) Mrs. Archana Gupta

(D) Joint Ventures

(1) HPL Electric & Power Pvt.Ltd.- Shriji Designs (JV)
(2) HPL Electric & Power Pvt.Ltd. -Trimurthi Hitech Co. Pvt. Ltd.- Shriji Designs (JV)

Details of tranactions with Related Parties:-

(Amount in ₹)

Particulars	2016-17	2015-16
Purchase of goods		
1. Himachal Energy Pvt. Ltd	-	4,392,117
Sale of goods		
1. Himachal Energy Pvt. Ltd	329,884,241	332,400,159
2. Amerex Pvt. Ltd.	3,604,839	617,721
3. Havell's Private Limited	258,322,703	Nil
4. HPL India Ltd	72,083,972	113,679
Purchase of fixed assets		
1. Havells Electronics Pvt. Ltd	Nil	269,800
2. Himachal Energy Pvt. Ltd.	17,810,678	117,779,871
Purchase of Design		
1. HPL India Ltd	249,340,500	Nil
Sale of Assets at Book Value		
1. Himachal Energy Pvt. Ltd.	Nil	850,000,356
Assignment of Receivables at Book Value		
1. HPL India Ltd	Nil	347,218,822
Purchase of Investment		
1. Himachal Energy Pvt. Ltd	Nil	540,025,000
2. HPL Projects Portfolio Pvt. Ltd	Nil	15,000
Receiving of services		
1. HPL India Ltd	Nil	180,000,000
1. Jesons Impex Private Limited	218,400	
Sale of Investments (at Book Value)		
1. Himachal Energy Pvt. Ltd	Nil	150,667,050
Transfer Key Managerial Person		

(Amount in ₹)

Particulars	2016-17	2015-16
Managerial Remuneration		
1. Mr. Lalit Seth	37,594,600	37,591,100
2. Mr. Rishi Seth	15,719,600	15,716,100
3. Mr. Gautam Seth	15,719,600	15,716,100
4. Mr. C.P. Jain	13,596,740	12,594,840
5. Mr. Vinod Ratan	9,940,193	1,772,729
6. Mr. Vivek Kumar	1,324,268	807,000
Rent Paid		
1. Mr. Lalit Seth	3,600,000	3,600,000
2. Mr. Rishi Seth	3,600,000	3,600,000
3. Mr. Gautam Seth	3,600,000	3,600,000
4. Mr Vinod Ratan	4,50,000	87,097
Rent paid for relatives of Key Managerial Person		
1. Mrs. Praveen Seth	3,600,000	3,600,000
2. Ms. Pooja Seth	600,000	600,000
3. Ms. Vani Seth	600,000	600,000
4. Mrs. Archana Gupta	4,50,000	87,097

Summary of outstanding Balances with the above Related Parties for the respective years are as given below:

(Amount in ₹)

Non Current Investment	2016-17	2015-16
Associates Companies		
HPL Projects Portfolio Pvt Ltd.	Nil	15,000
Subsidiary Companies		
Himachal Energy Pvt. Ltd.	540,000,000	540,025,000
Advance to Joint Venturs		
1. Hpl Electric & Power Private Limited- THCPL-SD(JV)	32,573,483	34,951,994
2. Hpl Electric & Power Private Limited- SHRIJI DESIGNS (JV)	14,203,986	13,402,429
Trade Receivables		
1. Himachal Energy Pvt. Ltd (Subsidiary Co)	85,294,681	149,033,335
2. HPL India Ltd	Nil	347,332,501
3. Havells Private Limited	225,776,458	Nil
4. Amerex Private Limited	4,631,585	Nil
5. HPL Projects Portfolio Pvt. Ltd	147,629,708	290,000,000
Advance for Supply of Design		
1. HPL India Ltd	(9,805,792)	67,511,447

33 Disclosures pursuant to Accounting Standard (AS) 29 " Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

(Amount in ₹)

S. No.	Particulars	As At 31.03.2017	As At 31.03.2016
1	Balance as on 01.04.2016	52,380,000	47,680,000
2	Additional Provision During the period	25,500,000	31,281,471
3	Provision used\Reversed During the period	14,503,713	26,581,471
4	Balance as on 31.03.2017	63,376,287	52,380,000

b) Nature of provisions:

Product warranties:- The company gives warranties on certain products to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2017 represents the amount of the expected cost of meeting such obligations of rectification/replacement.

34 Pursuant to Accounting Standard-27 "Financial Reporting of interests in Joint Ventures" specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, disclosures in respect of company's share in each of the assets, liabilities, incomes and expenses (each without elimination of the effect of transaction between the company and the Joint Venture) related to its interest in joint ventures, based on audited Financial Statements as on March 31, 2017 is as under :-

(Amount in ₹)

S. No.	Particulars	HPL ELECTRIC & POWER PVT LTD - TRIMURTHI HITECH CO. PVT. LTD. - SHRIJI DESIGNS (JV)		HPL ELECTRIC & POWER PVT LTD - SHRIJI DESIGNS (JV)	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
A	**Liabilities**				
	Current Liabilities				
	Trade Payables	1,987,438	2,644,276	676,997	686,513
	Other Current Liabilities	1,295,861	1,305,000	5,000	5,000
	Short Term Provisions	32,573,483	34,951,994	13,526,989	13,402,429
		35,856,782	**38,901,270**	**14,208,986**	**14,093,942**
B	**Assets**				
	Non-Current Assets				
	Fixed Assets				
	Tangible Assets	27,341	30,379	14,951	16,705
	Current Assets				
	Inventories	8,505,802	17,686,529	2,615,110	2,615,110
	Trade Receivables	8,851,132	1,512,515	686,801	686,801
	Cash and Bank Balances	818,942	27,593	148,240	148,916
	Short Term Loans and Advances	11,665,130	13,652,601	6,398,584	6,380,408
		29,841,006	**32,879,238**	**9,848,735**	**9,831,235**
C	**Income**				
	Revenue from Operations	10,748,659	10,987,768	-	187,674
	Other Income	10,040	14,480	-	128,880
		10,758,699	**11,002,248**	**-**	**316,554**
D	**Expenses**				
	Material Consumed	9,862,610	10,943,401	-	149,551
	Employee Benefit Expenses	889,833	3,460,267	96,913	1,019,107
	Other Expenses	3,038	3,376	2,387	2,732
		10,755,481	**14,407,044**	**99,300**	**1,171,390**

Notes to Accounts forming part of the Financial Statements

35 The disclosure pursuant to Micro, Small & Medium Enterprises Act 2006, are as under:

- Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending March 31, 2017 - ₹ 252,148,700/-(P.Y. ₹ 349,666,845/-)
- Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the beyond the appointed day during the accounting period ending March 31, 2017 – Nil (P.Y. Nil)
- Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED – Nil (P.Y. Nil)
- Amount of interest accrued and remaining unpaid at the end of the accounting period ending March 31, 2017 – Nil (P.Y. Nil)

36 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

a Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as expenses for the period are as under :

Particulars	As At 31.03.2017	As At 31.03.2016
Employer's contribution to Provident Fund	22,426,123	19,451,059
Employer's contribution to ESI	2,372,528	2,108,265
Employer's contribution to Welfare Fund	259,075	172,220
	25,057,727	**21,731,544**

b Defined Benefit Plans

i) Reconciliation of opening and closing balance of Defined Benefit Obligation

(Amount in ₹)

Particulars	Gratuity (Non Funded) 2016-17	2015-16
Defined Benefit obligation at beginning of period	22,667,058	18,430,457
Current Service Cost	6,467,622	5,029,897
Interest Cost	1,700,029	1,474,437
Actuarial (gain)/ loss	3,349,799	1,286,800
Benefits paid	(2,446,302)	(3,554,533)
Defined Benefit obligation at end of period	31,738,206	22,667,058
Reconciliation of Present value of Defined Benefit obligation and the Fair Value of Assets		
Present Value of Funded Obligation	31,738,206	22,667,058
Fair Value of Plan Assets	-	-
Unfunded Net Liability recognized in the Balance Sheet disclosed under Long Term Provisions and Short Term Provision	31,738,206	22,667,058

ii) Expenses recognized during the period

Current Service Cost	6,467,622	5,029,897
Interest Cost	1,700,029	1,474,437
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the period	3,349,799	1,286,800
Net Cost	11,517,450	7,791,134

iii) Actuarial Assumptions

Discount Rate	7.5% p.a.	8.00% p.a.
Rate of escalation in salary (per annum)	3.5% p.a	3.5% p.a
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of Return on Plan Assets (per annum)	-	-
Withdrawal rate (Per Annum)	2% p.a.	2% p.a.

37 Borrowing Costs

A sum of ₹ NIL (P.Y. Nil) attributable to the acquisition or construction of qualifying assets has been capitalized.

38 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17) "Accounting for Segment Reporting" issued by The Institute of Chartered Accountants of India.

Segment Reporting Policies

a) Identification of Segments:

Primary-Business Segment

The company has identified four reportable segments viz Metering,Switchgear, Lighting & Electonics and cables on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems.

b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investment, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated"

(1) Primary Business Segment

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(A) Revenue		
Segment Revenue (Gross)		
Metering	4,567,418,696	5,803,589,683
Switchgear	1,983,094,361	1,916,967,206
Lighting & Electonics	2,351,800,229	2,983,168,766
Cables	1,465,150,745	1,734,935,879
	10,367,464,030	**12,438,661,534**
(B) Results		
Segment Results		
Metering	649,147,021	1,026,747,201
Switchgear	401,445,590	367,585,306
Lighting & Electonics	318,832,539	542,919,100
Cables	104,613,455	76,843,419
	1,474,038,605	**2,014,095,026**
Unallocated expenses net of income	559,714,347	743,521,675
Operating Profit	914,324,258	1,270,573,351
Interest Expenses	609,120,182	782,371,091
Profit before tax	305,204,076	488,202,260
Tax Expenses	80,818,632	117,778,231
Profit after tax	224,385,444	370,424,029
(C) Other Information		
Segment Assets		
Metering	5,503,354,134	6,299,356,602
Switchgear	3,710,639,345	2,840,104,951
Lighting & Electonics	2,543,991,339	2,325,170,901
Cables	1,313,494,107	1,249,302,511
Unallocated	658,881,065	671,599,993
	13,730,359,989	**13,385,534,958**
Segment Liabilities		
Metering	1,607,651,869	2,188,009,458
Switchgear	795,746,063	683,101,461
Lighting & Electonics	255,004,120	348,214,892
Cables	236,629,202	442,983,949
Unallocated	3,440,418,585	5,933,140,824
	6,335,449,839	**9,595,450,583**
Capital Expenditure		
Metering	339,900,075	351,353,703
Switchgear	337,740,727	127,975,511
Lighting & Electonics	12,905,250	12,333,207
Cables	4,596,553	7,487,877
	695,142,606	**499,150,298**
Depreciation		
Metering	108,638,021	93,396,435
Switchgear	62,450,202	56,804,554
Lighting & Electonics	24,135,836	23,520,176
Cables	19,365,130	19,927,478
	214,589,189	**193,648,642**
Segment Revenue		
The following is the distribution of Company's revenue by geographical market :-		
Domestic Market	9,554,468,035	12,287,489,753
Overseas Market	812,995,995	151,171,781
	10,367,464,030	**12,438,661,534**

39 The disclosure related to Deferred Tax Assets/ Liabilities are given below :

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability :		
Fixed Assets: Impact of difference between Depreciation as per Income Tax Act,1961 and Companies Act, 2013	26,326,150	59,431,712
Provision for Leave Encashment	-	73,997
	26,326,150	**59,505,709**
Deferred Tax Assets :		
Provision for Gratuity	2,793,854	2,186,000
Provision for Doubtful Debts	1,500,000	3,338,970
Provision for Warranty	3,298,886	1,410,000
Provision for Bonus	-	572,508
	7,592,740	**7,507,478**
Expense/ (Income) recognized in the Statement of Profit & Loss	18,733,410	51,998,231
Add : Opening Liability	237,278,339	185,280,108
Net Deferred Tax Liability	**256,011,749**	**237,278,339**

40 Prior Period Items

Prior period expenses during the period ended March 31, 2017 Nil (P.Y. Nil)

41 In accordance with the revised accounting standard AS 10," Property, Plant and Equipment" the Company has reclassified from inventory to '' Property, Plant and Equipment" items of spare parts used for servicing of goods, amounting to ` 150,509,521. The reclassified spare parts are expected to be used for more than twelve months period. These items would be depreciated over their respective remaining estimated useful lives.

Intangible Assets

42 In accordance with Accounting Standard – 26 on "Intangible Assets", miscellaneous expenditure incurred by the company is being charged off to Statement of Profit & Loss, unless it qualifies to be an intangible assets, in which case it shall be recognized as permitted by the standard.

Derivative Instruments

43 a) Outstanding forward exchange contracts as at Mar 31, 2017 entered by the Company for the purpose of hedging its foreign currency exposures are as under :-

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	Nil	Nil
Previous Year	Indian Rupees	Nil	Nil

b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at Mar 31,2017 :

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	₹ 527,622,606/-	Nil
Previous Year	Indian Rupees	₹ 1,089,152,989/-	Nil

44 The Board of Directors has recommended a dividend at the rate of ₹ 1.50 per share of face value of ₹ 10 each for the year ended March 31, 2017.

45 The Company had issued commercial papers amounting to ₹ 100.00 Crs. and ₹ 120.00 Crs. during the period ending March 31, 2017 which was subscribed by HDFC Bank Ltd at discounted yield of 7.50% p.a. The commercial paper was issued for 90 days with maturity on June 4, 2017 & June 5, 2017 respectively.

46 The Company has entered into two joint venture agreements for carrying out Railway electrification as per details given below :

S. No.	Name of the joint Ventures	Proportion of ownership interest	Country of Residence
i	HPL Electric & Power Pvt.Ltd.-Shriji Designs (JV)	97% (P.Y. 97%)	India
ii	HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.-Shriji Designs(JV)	94% (P.Y. 94%)	India

Since the above joint ventures have the constitution of 'Association of Persons' (AOPs), there is no fixed investment in these joint ventures. The short term mismatches in receipts and payments of these joint ventures are bridged by the Company. The maximum balance outstanding at any point of time during the year was ₹ 4.97 Crs. (P.Y. ₹ 5.01 Crs.) and closing balance as on March 31, 2017 was ₹ 4.61 Crs.(P.Y. ₹ 4.83 Crs.).

47 As per the provisions of Section 135 of the Companies Act, 2013, the Company has to provide 2% of average net profits of preceding 3 financial years towards Corporate Social Responsibility (CSR). Accordingly, a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. The company has already formed a trust for this purpose. However the activities to operationalise the trust functioning is still under process.The contribution to the trust shall be made once trust is ready to function.

48 The Company has taken various residential/ commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the company by entering into these leases. Lease payments recognized in the Statement of Profit & Loss as rent expenses for the period.

49 The company has issued 17871287 shares of ₹ 10 each at a premium of ₹ 192 each through Public issue on dated 30.09.2016 and raised the amount of ₹ 361,00,000,000. Expenses incurred in relation to pubic issue amounting to ₹ 24,82,93,054 adjusted against security Premium. The utilisation of the proceeds from public issue of shares is given as below:

(₹ in Million)

Particulars	Amount utilised up to 31.03.2017
Repayment / Prepayment of certain indebtedness	1,300.00
Funding Working Capital Requirement	1,800.00
General Corporate Purposes	261.71
Issue Related Expenses	**248.29**
Total	**3,610.00**

50 Demontisation Transactions

At the closer of 08/11/2016 the Company was having cash Balance of ₹ 15,768,036 which includes specified bank notes of ₹ 359,648. (Circuler No. G.S.R as per 308(E) Dated March 30, 2017)

(Amount in ₹)

Particulars	SBN'S (Amount)	Other Denominations Notes (Amount)	Total (₹)
Closing Cash In Hand as on 08.11.2016	16,402,500	166,491	16,568,991
Transaction between 09.11.2016 to 30.12.2016			
Add: Withdrawal from bank accounts	-	682,000	682,000
Add : Receipts from permited transactions	-	605,827	605,827
Add : Receipts From non-permited transactions	-	-	-
Less : Paid For permited transactions	-	510,106	510,106
Less : Paid For non-permited transactions	-	-	-
Less: Deposited in bank accounts	16,402,500	584,575	16,987,075
Closing Cash In Hand as on 30.12.2016	**-**	**359,637**	**359,637**

51 Contingent Liabilities:

(Amount in ₹)

S. No	Name of Statute	Description	As at 31.03.2017	As at 31.03.2016
a)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08	4,537,620	4,537,620
b)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08.	1,039,777	1,039,777
c)	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	1,640,315	1,640,315
d)	Central Excise Act, 1944	Demand for Excise Duty before Comm. (A), New Delhi for 2009-10 to 2015-16.	8,411,210	Nil
e)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2001-02 to 2004-05.	5,019,386	5,019,386
f)	Finance Act, 1994	Demand for Service Tax Credit before CESTAT, New Delhi for 2007-08 to 2010-11	2,282,778	2,282,778

(Amount in ₹)

S. No	Name of Statute	Description	As at 31.03.2017	As at 31.03.2016
g)	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13 to 2016-17	253,968	363,724
h)	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	113,300	113,300
i)	Finance Act, 1994	Demand for Cenvat Credit before CESTAT, New Delhi for 2008-09	13,259,022	13,259,022
j)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	2,551,306	2,551,306
k)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	1,782,796	1,782,796
l)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	477,590	477,590
m)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	1,844,796	1,844,796
n)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2012-13	1,005,895	1,005,895
o)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2010-11	4,922,166	Nil
p)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarht for 2011-12	2,318,867	2,318,867
q)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	438,376	438,376
r)	Finance Act, 1994	Show cause notice received towards short payment of Service Tax for 2010-11 to 2014-15	16,304,192	Nil
s)	Finance Act, 1994	Show cause notice received towards demand of Service Tax availed for 2015-16.	134,477	134,477
t)	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi.	886,900	Nil
u)	Liability towards banks against receivable buyouts facility*	Liability towards banks against receivable buyouts facility*	460,000,000	430,000,000

* The company has utilised a receivable buy out facility as stated above from Indusind Bank Ltd. Against trade receivables with a recourse of full facility amount. Accordingly, the trade receivables stand reduced by the said amount.

Notes : 1. Based on the favorable decisions in similar cases and discussions with the solicitors, the company does not expect any liability against these matters, hence no provision has been considered in the books of the accounts.

2. Besides the above, show cause notices from the various departments have been received by the company, had not been treated as contingent liabilities since the company has represented to the concerned departments and does not expect any liability on this account.

52 Contingent Assets:

	As at March 31, 2017	As at March 31, 2016
	Nil	Nil

53 Previous year's figure have been regrouped/ re-arranged, wherever considered necessary to make them comparable with corresponding period ending Mar 31, 2017 figures.

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

For and on behalf of Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

Independent Auditor's Report

To the Members of
HPL ELECTRIC & POWER LTD.
Annual Report 2016-17

Independent Auditor's Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statement of HPL ELECTRIC & POWER LTD. ('the Company') and its subsidiary company Himachal Energy Private Limited and its Joint Ventures with 1.HPL Electric & Power Pvt Ltd-Shriji Designs (JV) and 2.HPL Electric & Power Pvt Ltd.-Trimurthi Hitech Co. Pvt. Ltd-Shriji Designs (JV)(together referred as "Group") which comprise the consolidated balance sheet as at march 31, 2017, consolidated statement of Profit and loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Group'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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of 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 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 consolidated 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 there under and the Order under section 143(11) of the Act.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31stMarch, 2017 and its Profit for the year ended on that date.

Report on Other Legal an.d Regulatory Requirements

1. 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 Group so far as it appears from our examination of those books;

   c) the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid consolidated 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

March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,, 2017 from being appointed as a director in terms of section 164(2) of the Act; and

f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

g) with respect to the other matters to be included in the Auditors' 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 Group has disclosed the impact of pending litigation on its financial statements.

ii. The Group did not have any long term contract including derivative contract for which there were any material foreseeable losses.

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Group has provided disclosure in its consolidated financial statements as to holding as well as dealing in specified bank notes during the period 8th November 2016 to 30th December 2016 and the same are in accordance with the books of accounts maintained by the company. Refer note no.49 in the notes to consolidated financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in term of Sub-Section (11) of Section 143 of the Act, we given in 'Annexure B' a statement on the matters specified on paragraph 3 and 4 of the Order.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi
Date: 22.05.2017

ANNEXURE 'A' To The Independent Auditors' Report

Report on the Internal Financial Controls Over Consolidated Financial Reporting 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 **HPL ELECTRIC & POWER LTD.** ('the Company') and its subsidiary company Himachal Energy Private Limited and its Joint Ventures with 1.HPL Electric & Power Pvt Ltd-Shriji Designs (JV) and 2.HPL Electric & Power Pvt Ltd.-Trimurthi Hitech Co. Pvt. Ltd-Shriji Designs (JV)(together referred as "Group") as of March 31, 2017 in conjunction with our audit of the consolidated financial statement of the Group for the year then ended and as on that date.

Management's Responsibility for the Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components on 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 (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Notes, to the extant applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statement, 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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purpose in accordance with generally accepted accounting principles. A Group's internal financial controls 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 Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles and that receipts and expenditures of the Group are being made only in accordance with authorisation of the management and directors of the Group, 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation 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 controls over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal financial controls over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi
Date: 22.05.2017

ANNEXURE 'B' To The Independent Auditors' Report

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of HPL ELECTRIC & POWER LTD. ('the Company)

(1) In respect of the Company's fixed assets:

a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, on our opinion, provides physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

C) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Group as at the balance sheet date.

(2) As explained to us, the inventories were physical verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(3) The Group has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(4) In our opinion and according to the information and explanations given to us, the Group has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(5) The Group has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provision of the clause 3(v) of the Order are not applicable to the Group.

(6) We have broadly reviewed the books of accounts maintained by the Group in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records have been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained.

(7) According to the information and explanations given to us, in respect of statutory dues:

(a) The Group has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrear as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us by the management and records of the Group examined by us, the particulars of dues of Income Tax, Sales Tax, Service Tax and Excise Duty as at 31stMarch, 2017 which have not been deposited on account of dispute, are given below:

	Nature of dues	Financial year to which the matter pertains	Forum where the Dispute is pending	Amount (₹ in Lakhs)
Service Tax	Service Tax	2007-2008 to 2010-2011	CESTAT, New Delhi.	22.83
Service Tax	Service Tax	2008-09	CESTAT, New Delhi.	132.59
Central Excise Act,1944	Excise Duty	2007-2008	CESTAT, New Delhi.	10.40
Central Excise Act,1944	Excise Duty	2007-2008	CESTAT, New Delhi.	45.37
Central Excise Act,1944	Excise Duty	2008-2009	Addl. Comm, LTU, New Delhi.	16.40
Service Tax	Service Tax	2012-2013 to 2016-17	Comm. (A), LTU, Delhi	2.54
Haryana VAT, 2003	Sales Tax	2008-2009	Haryana Tax Tribunal, Chandigarh.	25.51
Haryana VAT, 2003	Sales Tax	2011-2012	Jt.Comm.(A), Ambala	4.38
Haryana VAT, 2003	Sales Tax	2010-2011	Jt.Comm.(A),Rohtak.	17.82
Haryana VAT,	Sales Tax	2009-2010	Haryana Tax Tribunal, Chandigarh.	4.78
Service Tax,	Service Tax	2011-2012	CESTAT, New Delhi.	1.13
Haryana VAT,	Sales Tax	2011-2012	Haryana Tax Tribunal, Rohtak.	18.45
Haryana VAT,	Sales Tax	2011-2012	Haryana Tax Tribunal, Sonepat.	23.19
Central Excise Act,1944	**Excise Duty**	2009-10 to 2015-16	Comm..(A),New Delhi	84.11
Central Excise Act,1944	Excise Duty	2001-02 to 2004-05	CESTAT New Delhi	50.19
Haryana VAT,	Sales Tax	2012-13	Haryana Tax Tribunal, Rohtak	10.06
Haryana VAT,	Sales Tax	2010-11	Haryana Tax Tribunal, Rohtak	49.22
Service Tax,	Service Tax	2010-11 to 2014-15	CESTAT, New Delhi.	163.04
Service Tax,	Service Tax	2015-16	CESTAT, New Delhi.	1.34
Employee ‘s Provident Fund Act 1952	EPF	Demand For EPF	EPF Appelllate,Truibunal New Delhi	8.87
Liability towards banks against receivable by buyouts	Liability towards banks	Liability towards banks against receivable buyouts Facility	Banks	4600.00
Income Tax	Income Tax	2009-10	Income Tax Assessing Officer	2.06
Income tax	Income Tax	2011-12	Income Tax Assessing Officer	23.21
Income tax	Income Tax	2016-17	Income tax Assessing Officer	4.37
Provident Fund	PF Demand	2011-16	EPF Appellate Tribunal, Delhi	3.02

(8) In our opinion and according to the information and explanations given to us, the Group has not defaulted in repayment of loan or borrowing to banks. The Group does not have any loans or borrowing from financial institutions or government and has not issued any debentures.

(9) In our opinion and according to the information and explanations given to us, the monies raised by way of IPO, have been applied for the purposes for which they were obtained. Further, the Group has not obtained any term loan during the year.

(10) To the best of our knowledge and according to the information and explanations to us, no fraud by the Group and no fraud on the Group by its officers or employees has been noticed or reported during the year.

(11) In our opinion and according to the information and explanations given to us the Group has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.

(12) The Group is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(13) In our opinion and according to the information and explanations given to us, the Group is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the consolidated financial statements as required by the applicable accounting standards.

(14) During the year, the Group has not made any preferential allotment or private placement of shares or fully or partly convertible debenture and hence reporting under clause 3(XIV) of the Order is not applicable to the Group.

(15) In our opinion and according to the information and explanations given to us, during the year the Group has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the act are not applicable.

(16) The Group is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi
Date: 22.05.2017

Consolidated Balance Sheet

as at March 31, 2017

(Amount in ₹)

Particulars	Note No.	As At 31st March, 2017
EQUITY AND LIABILITIES		
Share Holder's Fund		
(a) Share Capital	2	643,004,860
(b) Reserves & Surplus	3	6,659,462,212
		7,302,467,072
Minority Interest		125,611,000
Non-Current Liabilities		
(a) Long Term Borrowings	4	2,638,764
(b) Deferred Tax Liability (Net)	5	258,390,085
(c) Other Long Term Liabilities	6	145,460,174
(d) Long Term Provisions	7	57,655,533
		464,144,556
Current Liabilities		
(a) Short Term Borrowings	8	3,625,693,834
(b) Trade Payables	9	2,651,346,771
(c) Other Current Liabilities	10	222,103,523
(d) Short Term Provisions	7	90,565,657
		6,589,709,785
		14,481,932,413
ASSETS		
Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	11	3,871,572,862
(ii) Intangible Assets		327,953,215
(iii) Goodwil on Consolidation		182,930,000
(b) Long Term Loans and Advances	12	55,030,702
		4,437,486,779
Current Assets		
(a) Inventories	13	3,775,793,250
(b) Trade Receivables	14	4,674,551,107
(c) Cash and Bank Balances	15	674,383,298
(d) Short Term Loans & Advances	12	903,981,170
(e) Other Current Assets	16	15,736,809
		10,044,445,634
		14,481,932,413

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 52)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

For and on behalf of Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(Amount in ₹)

	Particulars	Note No.	Year ended March 31, 2017
I.	**Revenue from operations(Gross)**	17	11,053,996,459
	Less: Excise Duty		1,190,853,869
	Revenue from operations (Net)		9,863,142,590
II.	Other income	18	53,868,248
III.	**Total Revenue (I + II)**		**9,917,010,838**
IV.	**Expenses:**		
	Cost of materials consumed	19	5,893,961,707
	Purchase of Traded Goods	20	595,221,570
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	51,360,094
	Employee Benefits Expenses	22	1,124,315,142
	Finance Cost	23	656,585,327
	Depreciation and Amortization Expenses	11	238,904,844
	Other Expenses	24	963,143,934
	Total expenses		**9,523,492,619**
V.	**Profit before tax (III-IV)**		393,518,219
VI.	**Tax Expense:**		
	(1) Current tax		91,231,262
	(2) Deferred tax		20,605,510
	(3) Mat Credit entitlement		(3,050,211)
VII.	**Profit for the year (V-VI)**		**284,731,658**
VIII.	Earnings per equity share:	25	
	(1) Basic		5.14
	(2) Diluted		5.14

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 52)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

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Lalit Seth
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DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

Consolidated Cash Flow Statement

for the period Ended March 31, 2017

(Amount in ₹)

	Particulars	As At 31st March, 2017
A.	**A. CASH FLOW FROM OPERATING ACTIVITIES**	
	Net Profit/ (Loss) before tax	**393,518,219**
	Adjustments for :	
	- Depreciation and amortisation Expenses	238,904,844
	- Finance Expenses	656,585,327
	- Dividend Received	(562,500)
	- Interest Income	(48,288,013)
	- Loss / (Profit) on Sale of Fixed Assets	2,622,388
	Operating profit before working capital changes	**1,242,780,264**
	Adjustments for :	
	Decrease/(Increase) in Trade receivables	545,465,831
	Decrease/(Increase) in Security Deposits	47,960,973
	Decrease/(Increase) in Short Term Advances	(117,501,428)
	Decrease/(Increase) in Other Current Assets	(687,799)
	(Decrease)/Increase in Inventories	(611,152,520)
	(Decrease)/Increase in Short Term Provision	17,955,299
	(Decrease)/Increase in Securities Deposits	7,890,935
	(Decrease)/Increase in Long Term Provision	5,387,691
	(Decrease)/Increase in Other Current Liabilities	(323,403,585)
	(Decrease)/Increase in Trade Payables	(717,828,502)
	Cash Generated from operations	**96,867,159**
	- Taxes Paid (Net of Refunds)	(77,474,130)
	NET CASH FROM OPERATING ACTIVITIES	**19,393,029**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**	
	- Purchase of Fixed Assets	(558,613,585)
	- Proceeds from Sale of fixed assets	1,992,268
	- Sale of Investment (Net)	40,000
	- Dividend Received	562,500
	- Interest Income Received	48,288,013
	NET CASH USED IN INVESTING ACTIVITIES	**(507,730,804)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**	
	- Proceeds from issuance of Share Capital	3,361,706,920
	- Proceeds from Working Capital Loan (Net)	(1,037,152,786)
	- Proceeds from Secured Long Term Loan (Net)	(1,159,497,524)
	- Finance Expenses	(656,585,327)
	- Dividends Paid on equity shares	(4,642,919)
	- Tax on Dividends Paid on equity shares	(945,190)
	NET CASH USED IN FINANCING ACTIVITIES	**502,883,174**
	Net changes in cash & cash equivalents (A+B+C)	14,545,399
	Cash & Cash equivalents - Opening balance	659,837,899
	Cash & Cash equivalents - Closing Balance	674,383,298

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 52)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

For and on behalf of Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

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Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

Statement of Significant Accounting Policies

(Annexed to and forming part of the Financial Statements for the year ended March 31, 2017)

COMPANY OVERVIEW

HPL Electric & Power Limited (Formerly HPL Electric & Power Private Limited) ('The Company') is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/21, Asaf Ali Road, New Delhi. The Company is one of the leading players and India's fastest growing electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Energy Saving Meters, CFL & LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches covering the entire range of household, commercial and industrial electrical needs. The Company's manufacturing facilities are located at 6 locations, 2 units at Gurgaon, 1 unit at village Bastara, Tehsil Gharaunda, Karnal, 1 unit at village Bhigan, Ganauar, Sonipat, 1 unit at Kundli in Haryana and 1 unit at village Shavela, Jabli in Himachal Pradesh.

The Company has R&D facilities located at Gurgaon and Kundli in Haryana, approved by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology.

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

The financial statement have been prepared under historical cost convention on accrual basis of accounting in accordance with the applicable accounting principles in India including the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014.

A1) Principles of Consolidation

The financial statement of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the company.

The consolidated financial statements have been prepared on the following basis:

i) The financial statement of the company and its subsidiary company have been combined on a line-by-line basis by adding together like item of assets, liabilities, income and expenses. Inter-company balance and transactions and unrealized profit or losses have been fully eliminated.

ii) The Share of profit/loss of associate company is accounted under "the equity method" as per which the share of profit/loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which investor has significant influence and which is neither a subsidiary nor a joint venture.

iii) The excess of the cost to the parent of its investments in a subsidiary over the parent's position of the equity at the date on which investment in the subsidiary is made, is recognized as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidation financial statements.

iv) Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.

v) On disposal of a subsidiary, the attributable amount goodwill is included in the determination of the profit or loss on disposal.

B) 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 result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

C) Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use.

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.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible Assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible Assets are recorded for the expenditure which qualifies the recognition criteria set out in the AS-26 as notified under section 133 of the Companies Act, 2013 read with rules 7 of the Company (Accounts) Rules, 2014.

D) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is charged proportionately.

The depreciation on assets for a value not exceeding ₹ 5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

Intangible Assets are amortized on a straight line basis over their estimated useful life of 6-10 years.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

E) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. 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. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

F) Inventories

a) Items of inventories i.e. Raw Material, Work-in-Progress and Finished Goods are measured at lower of cost or net realizable value.

b) The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.

c) Purchased Goods-in-transit are carried at cost.

d) Stores and Spares are valued at lower of cost or net realizable value.

e) Inventory of Finished Products which are excisable is valued inclusive of Excise Duty.

G) Revenue Recognition

The company recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount/ trade obligations and sales tax. Export sales are recognized on the date of shipping/Air Way Bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis.

Interest income/expenses are recognized using the time proportion method based on the rate implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

H) Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

I) Research & Development

All expenditure other than Capital Expenditure on Research & Development is charged to the statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research & Development is included under Fixed Assets.

J) Retirement Benefits

Short-term employee benefits are recognized as an expense and charged to the statement of profit and loss of the year in which related service is rendered. The liability for leave encashment is in the nature of short term employee benefits which is provided for on the basis of estimation made by the management.

Defined Contribution Plans-The company has defined contribution plans for the post employment benefits namely provident fund scheme. The company's contribution in the above plans is charged to revenue every year.

Defined Benefit Plans-The company has Defined Benefit Plan namely Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as an expense immediately.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss.

K) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as 'Current Investments'. All other Investments are classified as 'Non-Current Investments'. Current Investments are carried at cost or fair value of each investments individually. Non-current Investments are carried at cost less provisions to recognize any decline, other than temporary, in the carrying value of the investments.

L) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

M) Cash Flow

Cash Flow are reported according to the indirect method as specified in the

Accounting Standard-3 (Revised), Cash 'Flow Statement', notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

N) Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Taxes

Provision for current income tax is recognized in accordance with the provisions of Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matters under appeal, full provision is made in the financial statement when the Company accepts its liability.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet date.

The Company is eligible for tax holiday under section 80-IC (Notification No. SO 1269 (E) dated 04.11.2003) of the Income Tax Act, 1961. In this regard, the Company recognized deferred taxes in respect of those originating timing differences, which reverse after tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and therefore, no deferred taxes is recognized in respect of the same.

O) Lease

Financial lease

Assets acquired on financial lease, including assets acquired on hire purchase, have been recognized as an asset, and a liability at the inception of the lease has been recorded of an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the payment of minimum lease payments have been apportioned between finance charge / (expenses) and principal repayment.

Assets given on financial lease are shown as amounts recoverable from the lessee. The rent received on such leases is apportioned between the financial charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognized as income and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the assets.

Operating lease

Lease rent in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss as and when incurred.

P) Foreign Currency Transactions, Derivative instruments And Hedge Accounting

a) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing at the end of month, which approximates the rate on the date of transaction.

Gain/ loss arising out of fluctuations in foreign exchange rates between the transaction date and settlement date are recognized in the Statement of profit and loss.

Monetary items denominated in foreign currency are restated at the exchange rate prevailing at the year end and the overall net gain/ loss are adjusted to the Statement of profit and loss.

b) Derivative Instruments and Hedge Accounting

The company uses foreign currency forward contracts and currency options to hedge its risks

associated with foreign currency fluctuations relating to certain forecasted transactions. The company designates these as cash flow hedges applying the principles set out in the Accounting Standard 30 "Financial Instruments: Recognition Measurement" (AS-30).

Foreign currency derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholder's funds and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discounted when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At the time of forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the Statement of Profit and Loss for the period.

Q) Earnings Per Share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

R) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Product warranty costs are accrued in the year of sale of products, based on past experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

S) Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are compiled and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

T) Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17, "Segment Reporting".

1) Identification of Segments:

Primary- Business Segment

The Company has identified four reportable segments viz. Electronic Energy Static

Meters, Switchgears, Lighting and Cables on the basis of the nature of products

The risk and return profile of individual business & the internal Business reporting systems.

2) Secondary- Geographical Segment

The analysis of geographical segment is based on geographical location of the customers.

3) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

4) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

U) Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Consolidated Notes to Accounts

forming part of the Financial Statements as on March 31, 2017

2 Share Capital

(Amount in ₹)

Particulars	As at March 31, 2017
(a) Authorized	
70,000,000 Equity Shares of ₹ 10/- each	700,000,000
(b) Issued, Subscribed & Paid Up	
64,300,486 Equity Shares of ₹ 10/- each fully paid up	643,004,860
Total	**643,004,860**

(c) Reconciliation of share capital at the beginning and close of the accounting period ended March 31, 2017:-

Particulars	As At March 31, 2017 Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	46,429,199	464,291,990
Shares Issued during the period	17,871,287	178,712,870
Shares outstanding at the end of the period	64,300,486	643,004,860

(d) Rights, Preferences and Restrictions attached to the shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Shareholders holding more than 5% shares in the company :-

Name of Shareholder	As At March 31, 2017 Equity Shares	
	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	7,703,098	11.98
HPL India Ltd.	11,738,238	18.26
Havell's Pvt. Ltd.	2,842,655	4.42
Havell's Electronics Pvt. Ltd	11,652,130	18.12
Himachal Energy Pvt. Ltd.	5,625,000	8.75

(f) Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet:

Particulars	March 31, 2017 No. of shares Face value ₹ 10/-
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account	27,857,520

3 Reserves and Surplus

(Amount in ₹)

(a) Securities Premium Account	As at March 31, 2017
Opening Balance	477,140,780
Add : Received on issue of equity shares	3,431,287,104
Less : Utilized on issue of Bonus shares	-
Less : Utilized for writing off share issue expenses	248,293,054
Closing Balance	**3,660,134,831**

(Amount in ₹)

(b) General Reserve	As at March 31, 2017
Opening Balance	378,831,417
(+) Current Year Transfer	-
Closing Balance	**378,831,417**

(Amount in ₹)

(c) Surplus	As at March 31, 2017
Opening balance	2,555,577,306
(+) Net Profit/(Loss) For the current period	284,731,658
(-) Impact on Reserve due to Consolidation	219,813,000
Closing Balance	**2,620,495,964**
Total Reserves & Surplus (a+b+c)	**6,659,462,212**

4 Long Term Borrowings

(Amount in ₹)

Particulars	Non-Current	Current Maturities
	As At March 31, 2017	
Other Loans		
Vehicle loans - from banks*	2,638,764	1,295,366
Total	**2,638,764**	**1,295,366**

* Vehicles loans are secured against hypothecation of respective vehicles and are repayable in maximum 36 instalments and last date of installment is Dec. 2019. The loan carries an interest rate @ 9.10% pa.

5 Deferred Tax Liability

(Amount in ₹)

Particulars	As at March 31, 2017
Deferred Tax Liability:	
Opening Balance	237,784,575
Addition :- Deferred Tax Liability / (Assets)	20,605,510
Total	**258,390,085**

6 Other Long Term Liabilities

(Amount in ₹)

Particulars	As at March 31, 2017
Security deposit received	145,460,174
Total	**145,460,174**

7 Provisions

(Amount in ₹)

Particulars	Long-term	Short-term
	As At March 31, 2017	
(a) Provision for employee benefits		
Gratuity	31,095,533	3,350,937
Leave Encashment	-	50,398,433
(b) Other Provisions		
Provision for Warranties	26,560,000	36,816,287
Total	**57,655,533**	**90,565,657**

8 Short Term Borrowings

(Amount in ₹)

Particulars	As at March 31, 2017
Loans repayable on demand	
-Secured Loans	
- From Banks	1,425,693,834
-Unsecured Loans	
- From Banks	2,200,000,000
Total	**3,625,693,834**

*Working capital facilities (fund based and non-fund based) are secured by way of first pari-passu charge over entire current assets of the company including receivables both present and future and first charge on pari-passu basis over Company's fixed assets other than two properties (Land & Building) situated at Plot No. 357-Q, Sector-37-II, Gurgaon, Haryana and at Vill: Basdhara, Tehsil: Gharaunda, distt. Karnal, Haryana on which working capital lenders have second charge on pari-passu basis and also secured by personal guarantee of promoter directors.

9 Trade Payables

(Amount in ₹)

Particulars	As at March 31, 2017
Trade Payables	
(a) Due to Micro and Small Enterprises under MSMED Act, 2006*	283,837,690
(b) Others	2,367,509,081
Total	**2,651,346,771**

* Refer note no. 34

10 Other Current Liabilities

(Amount in ₹)

Particulars	As at March 31, 2017
Current maturities of long-term debt	1,295,366
Expenses Payable	44,269,502
Interest Accrued & Due	1,591,507
Employee Benefits Payable	72,742,056
T.D.S. & Service Tax Payable	31,559,569
Sales Tax Payable	63,625,016
Contribution to PF & ESI	7,020,508
Total	**222,103,523**

11 FIXED ASSETS

(Amount in ₹)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK
		AS AT 01.04.2016	Additions	Adjustment	AS AT 31.03.2017	AS AT 01.04.2016	For the Period	Adjustments	TOTAL 31.03.2017	AS ON 31.03.2017
A	TANGIBLE									
1	Freehold Land	583,794,573	-	-	583,794,573	-	-	-	-	583,794,573
2	**Building**	1,227,969,539	10,165,937	-	1,238,135,476	142,709,615	39,715,956	-	182,425,571	1,055,709,905
3	**Plant & Machinery**	2,552,400,113	219,562,947	7,680,726	2,764,282,334	695,863,506	177,189,261	2,381,485	870,671,282	1,893,611,052
4	**Furniture & Fittings**	70,136,488	6,559,851	-	76,696,339	32,649,428	6,330,354	-	38,979,782	37,716,557
5	Office Equipment's	118,925,377	3,958,281	523,063	122,360,595	58,302,271	5,443,958	100,556	63,645,672	58,714,922
6	Vehicles	49,000,065	16,703,471	2,079,610	63,623,926	25,851,846	7,211,187	1,654,704	31,408,329	32,215,597
7	Stores & Spares	4,875,733	209,315,246		214,190,979	4,009,771	370,952	-	4,380,723	209,810,256
	TOTAL (A)	**4,607,101,888**	**466,265,732**	**10,283,399**	**5,063,084,221**	**959,386,437**	**236,261,668**	**4,136,745**	**1,191,511,359**	**3,871,572,862**
B	**INTANGIBLE**									
1	Software & Designs	16,576,472	329,109,327		345,685,799	15,089,408	2,643,177		17,732,585	327,953,215
	TOTAL (B)	**16,576,472**	**329,109,327**	**-**	**345,685,799**	**15,089,408**	**2,643,177**	**-**	**17,732,585**	**327,953,215**
C	**CAPITAL WORK IN PROGESS**									
1	Machinery	27,531,805	-	27,531,805	-				-	-
	TOTAL (C)	**27,531,805**	**-**	**27,531,805**	**-**	**-**	**-**	**-**	**-**	**-**
	CURRENT YEAR (A+B+C)	**4,651,210,165**	**795,375,060**	**37,815,204**	**5,408,770,021**	**974,475,845**	**238,904,844**	**4,136,745**	**1,209,243,944**	**4,199,526,077**

Note :-

Additions to fixed assets include assets for ₹ 1,098,525/- acquired for Research & Development.

12 Loans and advances

(Amount in ₹)

Particulars Long Term Loans and Advances	Non-current As At March 31, 2017	Current As at March 31, 2017
Security Deposits		
Unsecured, considered good	54,989,341	-
Capital advances to associates	41,361	-
Other loans and advances		
Unsecured, considered good		
Income Tax	-	275,172,698
Prepaid Expenses	-	58,290,978
Balance with Excise Authorities	-	140,630,297
Insurance Recovrable	-	9,568,456
Vat Recoverable	-	17,812,597
Other Advances	-	23,936,224
Earnest Money Deposit	-	186,740,910
Advance to Suppliers	-	191,829,010
Total	**55,030,702**	**903,981,170**

13 Inventories

(Amount in ₹)

Particulars	As at March 31, 2017
a. Raw Materials and components	
(i) In Hand	1,669,984,590
(ii) Material-in-transit	18,449,217
b. Work-in-progress	957,067,449
c. Finished goods	1,127,162,474
d. Stores and spares	3,129,521
Total	**3,775,793,250**

14 Trade Receivables

(Amount in ₹)

Particulars	As at March 31, 2017
Trade receivables (Unsecured) consist of the following:	
(a) Over six months from the date they were due for payment	
(i) Considered good	183,536,322
(ii) Considered doubtful	43,070,247
(b) Others	
(i) Considered good*	4,491,014,785
	4,717,621,354
Less: Provision for doubtful receivables	(43,070,247)
Unsecured, considered good	
Total	**4,674,551,107**

* includes from companies where directors are interested ₹ 398,165,922 Refer note no.32

15 Cash and Bank Balances

(Amount in ₹)

Particulars	As at March 31, 2017
Cash and Cash equivalents	
Balances with banks:	
In Current Accounts	89,706,554
Cash in hand	20,411,864
	110,118,418
Other Bank Balances	
Balances with Banks held as Margin Money	564,264,880
	564,264,880
Total	**674,383,298**

16 Other Current Assets

(Amount in ₹)

Particulars	As at March 31, 2017
Unsecured, considered good	
Duty Drawback Recoverable	1,426,267
Other Recoverable	911,457
Insurance claim Recoverable	13,399,084
Total	**15,736,809**

17 Revenue from operation

(Amount in ₹)

Particulars	As at March 31, 2017
Sale of Products	
Finished Goods	10,443,461,607
Traded Goods	610,534,852
Total	**11,053,996,459**

18 Other Income

(Amount in ₹)

Particulars	Year ended March 31, 2017
Interest Income (TDS ₹ 4,766,396/-)	48,288,013
Other Interest	2,720,640
Dividend Income	562,500
Other non-operating income (net of expenses directly attributable to such income)	2,297,095
Total	**53,868,248**

19 Consumption of Raw Materials & Components

Particulars	Year ended March 31, 2017	
	₹	%
i) Raw Materials consumption		
Indigenous	3,494,338,525	59.29
Imported	2,399,623,182	40.71
Total	**5,893,961,707**	**100.00**

19(a) Particulars of Raw Materials Consumed

(Amount in ₹)

Particulars	Year ended March 31, 2017
Copper	1,119,789,957
Electronic Components	3,344,765,321
Engineering Plastic	895,890,172
Packing	148,562,047
Others	384,954,210
Total	**5,893,961,707**

20 Purchase of Traded Goods

(Amount in ₹)

Particulars	Year ended March 31, 2017
Meter and Electronics	81,720,960
Lighting and Electronics	513,500,610
Total	**595,221,570**

21 Changes in Inventories of Finished Goods and Work-in-Progress and Stock-in- Trade

(Amount in ₹)

Particulars	As at March 31, 2017
Inventories (at close)	
Finished Goods	1,126,848,727
Work-in-Progress	957,093,086
	2,083,941,813
Inventories (at commencement)	
Finished Goods	1,002,980,803
Work-in-Progress	1,132,321,104
	2,135,301,907
Total	**51,360,094**

22 Employee Benefits Expenses

(Amount in ₹)

Particulars	Year ended March 31, 2017
(i) Salaries and wages	1,065,991,044
(ii) Contribution to provident and other funds	28,727,514
(iii) Staff welfare expenses	29,596,585
Total	**1,124,315,142**

23 Finance Cost

(Amount in ₹)

Particulars	Year ended March 31, 2017
Interest Expenses	571,461,617
Other borrowing costs- Bank Charges	85,123,710
Total	**656,585,327**

24 Other Expenses

(Amount in ₹)

Particulars	Year ended March 31, 2017
Consumption of stores and spare parts	343,190
Power and Fuel	129,220,813
Rent	36,690,032
Repairs to Buildings	3,676,423
Repairs to Machinery	20,070,509
Research & Development Expenses	74,846,887
Installation Expenses	47,896,863
Testing Expenses	27,399,125
Rates and taxes excluding taxes on income	16,237,374
Legal & Professional Expenses	38,235,861
Travelling & Conveyance	153,715,019
Communication Expenses	22,256,829
Printing & Stationery	7,768,997
Repairs & Maintenance (Others)	32,007,661
Insurance	6,190,749
Membership & Subscription	1,370,688
Selling & Distribution Expenses	313,927,122
Product Warranty	25,500,000
Loss on sale of Fixed Assets	2,622,388
Donation	907,200
Auditor's Remuneration	990,500
Miscellaneous Expenses	1,269,704
Total	**963,143,934**

25 As required by the Accounting Standard-20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earnings per Share is as follows ::

(Amount in ₹)

Particulars	Year ended March 31, 2017
(i) Profit after tax	284,731,658
(ii) Weighted average number of equity shares for basic EPS	55,364,843
(iii) Weighted average number of equity shares for dilutive EPS	55,364,843
(iv) Nominal value per Equity Shares	10
(v) Earning Per Share (Basic)	5.14
(vi) Earning Per Share (Dilutive)	5.14

26 Auditor's Remuneration

(Amount in ₹)

Particulars	Year ended March 31, 2017
Audit Fees	799,000
Tax Audit Fees	191,500

27 C.I.F. Value of imports

(Amount in ₹)

Particulars	Year ended March 31, 2017
I. Raw materials;	2,883,677,050
II. Capital goods	30,387,018

28 Expenditure in foreign currency

(Amount in ₹)

Particulars	Year ended March 31, 2017
a) Travelling	2,560,338

29 Earnings in foreign currency

(Amount in ₹)

Particulars	Year ended March 31, 2017
Sales on FOB basis	772,101,556

30 Research & Development Expenditure

(Amount in ₹)

Particulars	Year ended March 31, 2017
(i) Capital Expenditure	1,098,525
	1,098,525
(ii) Revenue Expenditure	
a) Employee Cost	65,256,586
b) Staff Welfare	1,660,417
c) Purchase of Raw Materials	3,858,216
d) Electricity Expenses	644,423
e) Communication Expenses	449,363
f) Travelling & Conveyance	850,276
g) Repair & Maintenance	1,527,606
h) Consultancy Expenses	600,000
	74,846,887
Total	**75,945,412**

31 Particulars of Sale of products (gross)

(Amount in ₹)

Particulars	Year ended March 31, 2017
Finished goods	
Metering	**5,152,136,343**
Switch Gears	1,983,094,361
Lighting & Electronics	1,823,054,454
Cables	1,465,150,745
Project Revenue	20,025,704
	10,443,461,607
Traded goods	
Metering	81,789,077
Lighting & Electronics	528,745,775
	610,534,852
Total	**11,053,996,459**

32 Related Party Disclosure

Disclosures in terms of the Accounting Standard 18 are as under :-

(i) Name of related parties with and description of relationship :

Subsidiary Company :

-Himachal Energy Pvt. Ltd.

(A) Associates :

(1) HPL Projects Portfolio Pvt Ltd.
(2) HPL India Ltd.
(3) LK HPL Pvt. Ltd.
(4) HPL Power Corporation Ltd.
(5) Havells Electronics Pvt. Ltd.
(6) Amerex India Pvt. Ltd.
(7) Jesons Impex Pvt. Ltd.
(8) Amerex Pvt. Ltd.
(9) Havells Pvt. Ltd.

(B) Key Management Personnel :

(1) Mr. Lalit Seth
(2) Mr. Rishi Seth
(3) Mr. Gautam Seth
(4) Mr. C.P.Jain
(5) Mr. Vinod Ratan
(6) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth
(2) Mrs. Pooja Seth
(3) Mrs. Vani Seth

(D) Joint Ventures

(1) HPL Electric & Power Pvt.Ltd.- Shriji Designs (JV)
(2) HPL Electric & Power Pvt.Ltd. -Trimurthi Hitech Co. Pvt. Ltd.- Shriji Designs (JV)

(ii) Related parties with whom transactions made during the period and description of relationship :

(A) Associates :

(1) HPL Projects Portfolio Pvt Ltd.
(2) HPL India Ltd.
(3) Havells Electronics Pvt. Ltd.

(B) Key Management Personnel :

(1) Mr. Lalit Seth
(2) Mr. Rishi Seth
(3) Mr. Gautam Seth
(4) Mr. C.P.Jain
(5) Mr. Vinod Ratan
(6) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth
(2) Mrs. Pooja Seth
(3) Mrs. Vani Seth
(3) Mrs. Archana Gupta

Details of tranactions with Related Parties:-

(Amount in ₹)

Particulars	2016-17
Sale of goods	
1. Amerex Pvt. Ltd.	3,604,839
2. Havell's Private Limited	295,964,091
3. HPL India Ltd	72,083,972
Purchase of Design	
1 HPL India Ltd	249,340,500
Receiving of services	
1. Jesons Impex Private Limited	218,400
Transfer Key Managerial Person	
Managerial Remuneration	
1. Mr. Lalit Seth	37,594,600
2. Mr. Rishi Seth	15,719,600
3. Mr. Gautam Seth	15,719,600
4. Mr. C.P. Jain	13,596,740
5. Mr. Vinod Ratan	9,940,193
6. Mr. Vivek Kumar	1,324,268

(Amount in ₹)

Particulars	2016-17
Remuneration paid to relatives of Key Managerial Personals	
1. Mrs. Praveen Seth	6,342,665
2. Ms. Pooja Seth	702,665
3. Ms. Vani Seth	702,665
Rent Paid	
1. Mr. Lalit Seth	3,600,000
2. Mr. Rishi Seth	3,600,000
3. Mr. Gautam Seth	3,600,000
4.Mr Vinod Ratan	4,50,000
Rent paid for relatives of Key Managerial Person	
1. Mrs. Praveen Seth	3,600,000
2. Ms. Pooja Seth	600,000
3. Ms. Vani Seth	600,000
4. Mrs. Archana Gupta	4,50,000

Summary of outstanding Balances with the above Related Parties for the respective years are as given below:

(Amount in ₹)

Non Current Investment	2016-17
Trade Receivables	
1. Havells Private Limited	245,904,629
2. Amerex Private Limited	4,631,585
3. HPL Projects Portfolio Pvt. Ltd	147,629,708
Advance for Supply of Design	
1. HPL India Ltd	(9,805,792)

Contingent Liability

33 Disclosures pursuant to Accounting Standard (AS) 29 " Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

(Amount in ₹)

S. No.	Particulars	As At 31.03.2017
1	Balance as on 01.04.2016	52,380,000
2	Additional Provision During the period	25,500,000
3	Provision used\Reversed During the period	14,503,713
4	Balance as on 31.03.2017	63,376,287

b) Nature of provisions:

Product warranties:- The company gives warranties on certain products to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2017 represents the amount of the expected cost of meeting such obligations of rectification/replacement.

34 The disclosure pursuant to Micro, Small & Medium Enterprises Act 2006, are as under:

- Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending March 31, 2017- ₹ 283,837,690/-
- Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the beyond the appointed day during the accounting period ending March 31, 2017.
- Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED – Nil.
- Amount of interest accrued and remaining unpaid at the end of the accounting period ending March 31, 2017 – Nil.

35 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

a Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as expenses for the period are as under :

Particulars	As At 31.03.2017
Employer's contribution to Provident Fund	25,168,175
Employer's contribution to ESI	3,300,264
Employer's contribution to Welfare Fund	259,075
	28,727,515

b Defined Benefit Plans

i) Reconciliation of opening and closing balance of Defined Benefit Obligation

(Amount in ₹)

Particulars	Gratuity (Non Funded) 2016-17
Defined Benefit obligation at beginning of period	24,915,496
Current Service Cost	7,028,889
Interest Cost	1,868,662
Actuarial (gain)/ loss	3,721,818
Benefits paid	(3,088,395)
Defined Benefit obligation at end of period	34,446,470

Reconciliation of Present value of Defined Benefit obligation and the Fair Value of Assets	
Present Value of Funded Obligation	31,738,206
Fair Value of Plan Assets	-
Unfunded Net Liability recognized in the Balance Sheet disclosed under Long Term Provisions and Short Term Provision	31,738,206

ii) Expenses recognized during the period

Current Service Cost	7,028,889
Interest Cost	1,868,662
Expected return on plan assets	-
Net actuarial (gain)/loss recognized in the period	3,721,818
Net Cost	12,619,369

iii) Actuarial Assumptions

Discount Rate	7.5% p.a.
Rate of escalation in salary (per annum)	3.5% p.a
Mortality	IALM 2006-08 Ultimate
Expected rate of Return on Plan Assets (per annum)	-
Withdrawal rate (Per Annum)	2% p.a.

36 Construction Contract Reporting

(Amount in ₹)

	Particulars	As At March 31, 2017
a)	Contract revenue recognised as revenue in the year [Clause 39(a)]	**9,277,046**
b)	Aggregate amount of cost incurred and recognised profit up to the reporting date on contracts under process [Clause 40 (a)]	**-**
c)	Advances received on Contracts under process [Clause 40 (b)]	-
d)	Gross amount due from customers for contract work as an assets [Clause 42(a)]	-
e)	Gross amount due to customers for contract work as a liability [Clause 42(b)]	-

37 Borrowing Costs

A sum of ₹ NIL (P.Y. Nil) attributable to the acquisition or construction of qualifying assets has been capitalized.

38 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17) "Accounting for Segment Reporting" issued by The Institute of Chartered Accountants of India.

Segment Reporting Policies

a) Identification of Segments:

Primary-Business Segment

The company has identified four reportable segments viz Metering,Switchgear, Lighting & Electonics and cables on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems.

b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investment, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated"

(1) Primary Business Segment

(Amount in ₹)

Particulars	As at March 31, 2017
(A) Revenue	
Segment Revenue (Gross)	
Metering	5,233,925,420
Switchgear	1,983,094,361
Lighting & Electonics	2,351,800,229
Cables	1,465,150,745
Project	20,025,705
	11,053,996,459
(B) Results	
Segment Results	
Metering	793,971,434
Switchgear	401,445,590
Lighting & Electonics	318,832,539
Cables	104,613,455
Project	(6,682,492)
	1,612,180,526
Unallocated expenses net of income	562,076,980
Operating Profit	1,050,103,546
Interest Expenses	656,585,327
Profit before tax	393,518,219
Tax Expenses	108,786,561
Profit after tax	284,731,658
(C) Other Information	
Segment Assets	
Metering	6,408,726,245
Switchgear	3,710,639,345
Lighting & Electonics	2,543,991,339
Cables	1,313,494,107
Projects	199,713,810
Unallocated	305,367,568
	14,481,932,413

(Amount in ₹)

Particulars	As at March 31, 2017
Segment Liabilities	
Metering	1,719,650,138
Switchgear	795,746,063
Lighting & Electonics	255,004,120
Cables	236,629,202
Projects	13,346,598
Unallocated	3,775,088,137
	6,795,464,258
Capital Expenditure	
Metering	425,356,462
Switchgear	337,740,727
Lighting & Electonics	12,905,250
Cables	4,596,553
Unallocated	-
	780,598,993
Depreciation	
Metering	124,385,180
Switchgear	62,450,202
Lighting & Electonics	24,135,836
Cables	19,365,130
Projects	8,568,496
	238,904,844
Segment Revenue	
The following is the distribution of Company's revenue by geographical market :-	
Domestic Market	10,241,000,464
Overseas Market	812,995,995
	11,053,996,459

39 The disclosure related to Deferred Tax Assets/ Liabilities are given below :

(Amount in ₹)

Particulars	As at March 31, 2017
Deferred Tax Liability :	
Fixed Assets: Impact of difference between Depreciation as per Income Tax Act,1961 and Companies Act, 2013	28,711,995
Provision for Leave Encashment	-
Provision for Gratuity	
Provision for Bonus	-
	28,711,995
Deferred Tax Assets :	
Impact of expenditure charged to Statement of Profit & Loss during the year but allowed for tax purposes on payment basis :	
Provision for Gratuity	3,307,599
Provision for Doubtful Debts	1,500,000
Provision for Warranty	3,298,886
	8,106,485
Expense/ (Income) recognized in the Statement of Profit & Loss	**20,605,510**
Add : Opening Liability	237,784,575
Net Deferred Tax Liability	**258,390,085**

40 Prior Period Items

Prior period expenses during the period ended March 31, 2017 Nil (P.Y. Nil)

41 In accordance with the revised accounting standard AS 10," Property, Plant and Equipment" the Company has reclassified from inventory to '' Property, Plant and Equipment" items of spare parts used for servicing of goods, amounting to ₹ 150,509,521. The reclassified spare parts are expected to be used for more then twelve months period. These items would be dereciated over their respective remaining estimated useful lives.

Intangible Assets

42 In accordance with Accounting Standard – 26 on "Intangible Assets", miscellaneous expenditure incurred by the company is being charged off to Statement of Profit & Loss, unless it qualifies to be an intangible assets, in which case it shall be recognized as permitted by the standard.

Derivative Instruments

43 a) Outstanding forward exchange contracts as at 31st Mar, 2017 entered by the Company for the purpose of hedging its foreign currency exposures are as under :-

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	Nil	Nil

b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at Mar 31,2017 :

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	₹ 546,049,094/-	Nil

44 The Board of Directors has recommended a dividend at the rate of ₹ 1.50 per share of face value of ₹ 10 each for the year ended March 31, 2017.

45 The Company had issued commercial papers amounting to ₹ 100.00 Crs. and ₹ 120.00 Crs. during the period ending 31st Mar, 2017 which was subscribed by HDFC Bank Ltd at discounted yield of 7.50% p.a. The commercial paper was issued for 90 days with maturity on 4th June, 2017 & 05th June, 2017 respectively.

46 As per the provisions of Section 135 of the Companies Act, 2013, the Company has to provide 2% of average net profits of preceding 3 financial years towards Corporate Social Responsibility (CSR). Accordingly, a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. The company has already formed a trust for this purpose. However the activities to operationalise the trust functioning is still under process.The contribution to the trust shall be made once trust is ready to function.

47 The Company has taken various residential/ commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the company by entering into these leases. Lease payments recognized in the Statement of Profit & Loss as rent expenses for the period.

48 The company has issued 17871287 shares of ₹ 10 each at a premium of ₹ 192 each through Public issue on dated 30.09.2016 and raised the amount of ₹ 361,00,000,000. Expenses incurred in relation to pubic issue amounting to ₹ 24,82,93,054 adjusted against security Premium. The utilisation of the proceeds from public issue of shares is given as below

(₹ in Million)

Particulars	Amount utilised up to March 31, 2017
Repayment / Prepayment of certain indebtedness	1,300.00
Funding Working Capital Requirement	1,800.00
General Corporate Purposes	261.71
Issue Related Expenses	**248.29**
Total	**3610.00**

49 Demontisation

At the closer of 08/11/2016 the Company was having cash Balance of ₹ 18,707,460 which includes specified bank notes of ₹ 18,236,000.(Circuler No. G.S.R as per 308(E) Dated 30th march 2017)

(Amount in ₹)

Particulars	SBN'S (Amount)	Other Denominations Notes (Amount)	Total (₹)
Closing Cash In Hand as on 08.11.2016	18,236,000	471,460	18,707,460
Transaction between 09.11.2016 to 30.12.2016	-	-	-
Add: Withdrawal from bank accounts	-	732,000	732,000
Add : Receipts from permited transactions	-	1,129,283	1,129,283
Add : Receipts From non-permited transactions	-	-	-
Less : Paid For permited transactions	-	964,694	964,694
Less : Paid For non-permited transactions	-	-	-
Less: Deposited in bank accounts	18,236,000	584,575	18,820,575
Closing Cash In Hand as on 30.12.2016			**783,474**

50 Contingent Liabilities:

(Amount in ₹)

S. No	Name of Statute	Description	As at March 31, 2017
a)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08	4,537,620
b)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08.	1,039,777
c)	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	1,640,315
d)	Central Excise Act, 1944	Demand for Excise Duty before Comm. (A), New Delhi for 2009-10 to 2015-16.	8,411,210
e)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2001-02 to 2004-05.	5,019,386
f)	Finance Act, 1994	Demand for Service Tax Credit before CESTAT, New Delhi for 2007-08 to 2010-11	2,282,778
g)	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13 to 2016-17	253,968
h)	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	113,300
i)	Finance Act, 1994	Demand for Cenvat Credit before CESTAT, New Delhi for 2008-09	13,259,022
j)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	2,551,306
k)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	1,782,796
l)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	477,590
m)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	1,844,796
n)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2012-13	1,005,895
o)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2010-11	4,922,166
p)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarht for 2011-12	2,318,867
q)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	438,376
r)	Finance Act, 1994	Show cause notice received towards short payment of Service Tax for 2010-11 to 2014-15	16,304,192
s)	Finance Act, 1994	Show cause notice received towards demand of Service Tax availed for 2015-16.	134,477

(Amount in ₹)

S. No	Name of Statute	Description	As at March 31, 2017
t)	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi.	886,900
u)	Liability towards banks against receivable buyouts facility*	Liability towards banks against receivable buyouts facility*	460,000,000
v)	Income Tax Act,1961	Demand for Income tax for A.Y. 2009-10 before Income Tax Assessing Officer	206,996
w)	Income Tax Act,1961	Demand for Income tax for A.Y. 2011-12 before Income Tax Assessing Officer	2,321,740
x)	Income Tax Act,1961	Demand for Income tax for A.Y. 2016-17 before CPC	437,240
y)	Provident Fund	Demand for PF for July 2011 to January 2016 before EPF Appelate Tribunal, Delhi	301,927

* The company has utilised a receivable buy out facility as stated above from Indusind Bank Ltd. Against trade receivables with a recourse of full facility amount. Accordingly, the trade receivables stand reduced by the said amount.

Notes : 1 Based on the favorable decisions in similar cases and discussions with the solicitors, the company does not expect any liability against these matters, hence no provision has been considered in the books of the accounts.

2. Besides the above, show cause notices from the various departments have been received by the company, had not been treated as contingent liabilities since the company has represented to the concerned departments and does not expect any liability on this account.

51 Contingent Assets:

As at March 31, 2017
Nil

52 Since Himachal Energy Private Limited became subsidiary of Company on dated 09th May 2016, hence previous year's figures are not available.

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N

PLACE : NEW DELHI
DATED : 22.05.2017

For and on behalf of Board

Sd/-
Lalit Seth
Chairman and Managing Director
DIN- 00312007

Sd/-
Gautam Seth
Joint Managing Director
DIN- 00203405

Sd/-
Vivek Kumar
Company Secretary
M.No. A18491

Sd/-
Neeraj Kumar
Chief Financial Officer
M.No. 508653

HPL Electric & Power Ltd
Regd. & Corp. Office:
1/21, Asaf Ali Road, New Delhi-110002 Ph.: +91-11-23234411
Fax : +91-11-23232639 E-mail : hpl@hplindia.com
Website : www.hplindia.com
CIN NO. : U74899DL 1992PLC048945

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of **HPL Electric & Power Limited** will be held on Thursday, September 28, 2017 at 10:00 A.M. at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi-110036 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended on March 31, 2017 together with the reports of the Board of Directors and Auditors thereon.

2. To declare final dividend of ₹ 1.50 per equity share for the financial year ended March 31, 2017.

3. To appoint a director in place of Mr. Gautam Seth (DIN 00203405), who retires by rotation and being eligible, offers himself for re-appointment.

4. To Appoint a Statutory Auditors' of the company and to fix their remuneration.

   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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Kharbanda Associates, Chartered Accountants (Firm Registration No. 003456N), be and is hereby appointed as an Auditors of the Company in place of retiring Auditors M/s. Sahni Mehra & Co., Chartered Accountants (Firm Registration No. 000609N) to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirtieth AGM of the Company to be held in the year 2022 (subject to the ratification of their appointment at every AGM) at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. **Ratification of Remuneration to the Cost Auditors for the financial year 2017-18**

   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 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company be and is hereby ratified the remuneration as approved by the Board of Directors of ₹ 35,000/- (Thirty Five Thousand Only) plus applicable Goods & Service Tax payable to M/s. Bikram Jain & Associates, Cost Accountants, (Firm Registration No. 101610), who have been appointed as the Cost Auditors of the Company by the Board of Directors as recommended by the audit committee, to conduct the audit of the cost records of the Company for the financial year 2017-18.

6. **Revision of Remuneration payable to Mr. Chandra Prakash Jain (DIN: 00311643), Whole Time Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Rules made thereunder, including any statutory modification thereof, or any other law as applicable and with the recommendation of Nomination & Remuneration Committee, approval of the company be and is hereby accorded for the revision in the remuneration of Mr. Chandra Prakash Jain (DIN: 00311643) Whole Time Director (WTD) of the Company from ₹ 9,87,000/- (Rupees Nine Lakhs Eighty Seven thousand only) per month to ₹ 11,37,000/- (Rupees Eleven Lakhs Thirty Seven Thousand only) per month plus perquisites which shall be restricted to a sum of ₹ 2,60,000/- per annum with effect from April 1, 2017.

   RESOLVED FURTHER THAT consent of the company be and is hereby accorded to give Mr. Chandra Prakash Jain a performance bonus (one time payment) of ₹ 9,00,000/- (Rupees Nine Lakhs only) for the financial year 2016-17.

RESOLVED FURTHER THAT in addition to the above the consent of the company be and is hereby accorded to provide a car with chauffer and telephone at the residence and the provision of the Car for the use in company's business and telephone at residence will not be considered as perquisites and personal long distance calls and use of car for private purpose shall be billed by the company.

RESOLVED FURTHER THAT payment towards the following perquisites will not be included in the aforesaid remuneration:

a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

c. Encashment of leave as per the policy of the company.

RESOLVED FURTHER THAT the aforesaid remuneration payable to Mr. Chandra Prakash Jain as the WTD of the Company shall also be paid in the event of any loss or inadequacy of profits to the company in any financial year , subject to the tenure of Mr. Chandra Prakash Jain and the requirements of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

7. Revision of remuneration payable to Mr. Vinod Ratan Gupta (DIN: 07401017) Whole Time Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Rules made thereunder, including any statutory modification thereof, or any other law as applicable and with the recommendation of Nomination & Remuneration Committee, approval of the company be and is hereby accorded for the revision in the remuneration of Mr. Vinod Ratan Gupta (DIN: 07401017) Whole Time Director (WTD) of the Company from 7,50,000/- (Rupees Seven Lakhs Fifty thousand only) per month to ₹ 9,00,000/- (Rupees Nine Lakhs only) per month with effect from April 1, 2017 either paid as salary, allowances, perquisites or a combination thereof.

RESOLVED FURTHER THAT consent of the company be and is hereby accorded to give Mr. Vinod Ratan Gupta a performance bonus (one time payment) of ₹ 9,00,000/- (Rupees Nine Lakhs only) for the financial year 2016-17.

RESOLVED FURTHER THAT in addition to the above the consent of the company be and is hereby accorded to provide a car with chauffer and telephone at the residence and the provision of the Car for the use in company's business and telephone at residence will not be considered as perquisites and personal long distance calls and use of car for private purpose shall be billed by the company.

RESOLVED FURTHER THAT payment towards the following perquisites will not be included in the aforesaid remuneration:

a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

c. Encashment of leave as per the policy of the company.

RESOLVED FURTHER THAT the aforesaid remuneration payable to Mr. Vinod Ratan Gupta as the WTD of the Company shall also be paid in the event of any loss or inadequacy of profits to the company in any financial year, subject to the tenure of Mr. Vinod Ratan Gupta and the requirements of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

8. Re-appointment of Mr. Jatinder Singh Sabharwal (DIN: 07364399) as an Independent Director of the Company for a second term

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Jatinder Singh Sabharwal (DIN: 07364399), who holds the office of Independent Director of the Company till January 13, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act

proposing his candidature for re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from January 14, 2018 until January 13, 2021."

9. Re-appointment of Mr. Tarun Sehgal (DIN: 07384592), as an Independent Director of the Company for a second term

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Tarun Sehgal (DIN: 07384592), who holds the office of Independent Director of the Company till January 13, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from January 14, 2018 until January 13, 2021."

10. Re-appointment of Mr. Virender Kumar Bajaj (DIN: 07401106), as an Independent Director of the Company for a second term

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Virender Kumar Bajaj (DIN: 07401106), who holds the office of Independent Director of the Company till January 13, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from January 14, 2018 until January 13, 2021."

11. Re-appointment of Mrs. Madhu Bala Nath (DIN: 01320110), as an Independent Director of the Company for a second term

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mrs. Madhu Bala Nath (DIN: 01320110), who holds the office of Independent Director of the Company till January 13, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from January 14, 2018 until January 13, 2021."

12. Re-appointment of Mr. Jainul Haque (DIN: 00004762), as an Independent Director of the Company for a second term

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions if any, of Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Jainul Haque (DIN: 00004762), who holds the office of Independent Director of the Company till January 13, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from January 14, 2018 until January 13, 2021."

By order of the board
For **HPL Electric & Power Limited**

Vivek Kumar
Company Secretary
M. No. A18491

Date: August 14, 2017
Place: Gurugram

Regd. Office: 1/21, Asaf Ali Road
New Delhi - 110002

NOTE(S):

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**

   A PERSON CAN ACT AS PROXY FOR ONLY 50 (FIFTY) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING

VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

2. Corporate Members intending to send their authorized representative to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013 are requested to send a duly certified copy of their board resolution together with the respective specimen signatures of the representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

3. Members/proxies/authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

4. In case of joint holders, only such joint holder who is name first in the order of names will be entitled to vote.

5. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of all Special Business specified above is annexed hereto.

6. Register of Members and Share Transfer Books will remain close from September 21, 2017 to September 28, 2017 (both days inclusive) in connection with Annual General Meeting and for the purpose of payment of dividend, if declared at the meeting.

7. The dividend on the equity shares, if declared at the Annual General Meeting, will be payable on or after September 29, 2017 to those members:

   a) Whose names appear as member in the register of member of the company on September 20, 2017; and

   b) Whose names appear as Beneficial Owners in the list of Beneficial Owners on September 20, 2017 furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

8. Only individual members/shareholders, holding shares in physical form who wish to nominate a person under section 72 of the Act, may furnish us required details in the prescribed Form SH-13, which is available on demand. In respect of shares held in electronic/demat form, the members may please contact their respective Depository Participants.

9. Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the directors proposed to be appointed or re-appointed at the Annual General Meeting is given as an Annexure attached the Notice.

10. Members seeking any information with regard to accounts are requested to write to the company at least 7 working days before the meeting so that the information is made available by the management at the day of Annual General Meeting.

11. Members are requested to:

   a) Intimate changes in their registered address, if any, to the company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, in respect of their holdings in physical form.

   b) Notify immediately any changes in their registered address to their depository participants in respect of their holdings in electronic form.

12. The Annual Report 2016-17, the Notice of 25th Annual General Meeting and instructions for e -voting, along with the attendance slip and proxy form are being sent by electronic mode to the members whose email addresses are registered with the company/Depository Participant(s), unless a member has requested for a physical copy of documents. For the members who have not registered their addresses, physical copies are being sent by permitted mode.

13. Members may also note that the Notice of 25th Annual General Meeting and Annual Report 2016-17 will be available on the company's website, www.hplindia.com for download.

14. As per Section 118(10) of the Companies Act, 2013 read with Secretarial Standards for General Meeting issued by the Institute of Companies Secretaries of India "No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting.

15. All the documents referred to in the accompanying Notice dated August 14, 2017 and Explanatory Statement are open for inspection at the Company's Registered Office at 1/21, Asaf Ali Road, New Delhi – 110001 during the normal business hours on all working days till the date of Annual General Meeting.

16. The Company has a dedicated E-mail address i.e. hplcs@hplindia.com for members to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest. The Company's website www.hplindia.com.has a dedicated section on Investors.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares can submit their PAN details to the Company/RTA.

18. The business set out in the Notice of the AGM may be transacted through electronic voting system from

a place other than the venue of the meeting (remote e-voting) or through ballot paper at the AGM.

19. Pursuant to the provisions of Section 108 of the Act read with the rules thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 25th Annual General Meeting scheduled to be held on September 28, 2017 at 10:00 AM.

20. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD/ PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting: From **September 25, 2017 from 10:00 AM.**

End of e-voting: **Up to September 27, 2017 till 5:00 PM.**

The cut-off date (i.e. the record date) for the purpose of e-voting is September 21, 2017.

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated August 14, 2017 for the AGM scheduled to be held on September 28, 2017 which is enclosed herewith and is also made available on the website of the Company www.hplindia.com. Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through Karvy for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 25th Annual General Meeting of the Company dated September 28, 2017.

Procedure and instructions for remote e-voting

A. Members who received the Notice through e-mail from Karvy:

i Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'

ii Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote:

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 digit Client ID b) For CDSL :- 16 digits Beneficiary ID/ Client ID For Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company
Password	Your unique password is printed above/ provided in the e-mail forwarding the electronic notice

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. After changing password, you need to login again with the new credentials.

vi. On successful login, the system will prompt to select the "Event" i.e. HPL Electric & Power Limited.

vii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under "FOR/ AGAINST/ABSTAIN" against the resolution or alternatively you may partially enter any number in "FOR" , partially in "AGAINST" and partially in "ABSTAIN" but the total number in "FOR/AGAINST/ABSTAIN" taken together should not exceed your total shareholding.

viii. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

ix. Corporate/Institutional Members (corporate / FIs /FIIs/Trust/Mutual Funds/Companys, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: deepak.kukreja@dmkassociates.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ Event No.".

B. Members receiving the Notice by post:

1. Please use the User ID and initial password as provided above.

2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.

C. The e- voting period commences on September 25, 2017 at 10.00 A.M and ends on September 27, 2017 at 05.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.

D. Once the vote on the resolution is cast by a Shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the Annual General Meeting.

E. The Board of Directors of the Company has appointed Mr. Deepak Kukreja, (FCS No. 4140) Partner DMK Associates, Practicing Company Secretaries as Scrutinizer and Mrs. Monika Kohli, (FCS No. 4936) Partner DMK Associates, Practicing Company Secretaries as alternative Scrutinizer for conducting the E-voting & Ballot Process in a fair and transparent manner. The Scrutinizer's decision on the validity of e-voting shall be final.

F. The Scrutinizer shall, on the date of the AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, and submit it to the Chairman.

G. The result of remote e-voting and Ballot process be declared by the Chairman of the AGM at or after the AGM to be held on September 28, 2017 and the resolution will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolution.

H. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company (www.hplindia.com) and on Karvy's website (https://evoting.karvy.com) within 48 hours of completion of voting.

I. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on the cut off date i.e. September 21, 2017 Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.

J. Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders / proxies who have cast their votes through remote e-voting will not be allowed to cast their votes physically at the venue of the AGM.

K. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. P. Nageswara Rao, Manager, Karvy Computershare Pvt. Ltd., Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : einward.ris@karvy.com, Toll Free No. 1800-345-4001.

L. Members who have acquired shares after the despatch of the Notice and before the Cut off date may obtain the user ID by approaching Mr. P. Nageswara Rao, Manager, Karvy Computershare Pvt. Ltd., Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com, Toll Free No. 1800-345-4001, for issuance of the user ID and password for exercising their right to vote by electronic means.

21. The complete particulars of the venue of the Meeting including route map and prominent land mark for easy location are enclosed herewith. The route map of the Venue of the Meeting is also hosted along with the Notice on the website of the Company i.e. www.hplindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

M/s. Bikram Jain & Associates, Cost Accountants, (Firm Registration No.) 106670 were re-appointed in its as Cost Auditors of the Company by the Board of Directors, in its meeting held on August 14, 2017 on the recommendation of the Audit Committee, to audit the cost records maintained by the Company in connection with manufacture of Switch Gears, Cable and Light & Lamps for the financial year ending March 31, 2018 at a remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand Only) plus applicable Goods & Service Tax as applicable thereon.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors on the recommendation of Audit Committee, is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors/ Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Relevant documents referred to in the accompanying Notice and statements are open for inspection of members at the Registered office of the company during the normal business hours on all working days till the date of Annual General Meeting.

ITEM NO. 6 & 7

The members of the company at the Extra Ordinary General Meeting held on January 21, 2016 had approved the appointment of Mr. Chandra Prakash Jain & Mr. Vinod Ratan Gupta, the Whole - time Directors of the company. On the recommendation of the Nomination & Remuneration Committee, the Board of Directors in their meeting held on February 6, 2017 decided to revise the remuneration of Mr. Chandra Prakash Jain & Mr. Vinod Ratan Gupta subject to the approval of shareholders, with effect from April 1, 2017 as per the following:

1. The Board of Directors, on the recommendation of Nomination & Remuneration Committee decided to revise the remuneration of Mr. Chandra Prakash Jain from his existing ₹ 9,87,000/- (Rupees Nine Lakhs Eighty Seven thousand only) per month to ₹ 11,37,000/- (Rupees Eleven Lakhs Thirty Seven Thousand only) per month plus perquisites which shall be restricted to a sum of ₹ 2,60,000/- per annum. And a performance bonus of ₹ 9,00,000/- for the financial year 2016-17.

2. The Board of Directors, on the recommendation of Nomination & Remuneration Committee decided to revise the remuneration of Mr. Vinod Ratan Gupta from his existing ₹ 7,50,000/- (Rupees Seven Lakhs Fifty thousand only) per month to ₹ 9,00,000/- (Rupees Nine Lakhs only) per month and a performance bonus of ₹ 9,00,000/- for the financial year 2016-17.

   All other terms and conditions relating to their appointment and remuneration as approved earlier by the members remained unchanged.

   Details of remuneration paid to Mr. Chandra Prakash Jain and Mr. Vinod Ratan Gupta during financial year 2016-17 has been disclosed in the annexure to the Director's Report and in the Corporate Governance Report. This statement may also be regarded as disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Special Resolution set out at item Nos. 6 & 7 of the Notice for approval by the members.

None of the Directors/ Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution at item Nos. 6 & 7 except Mr. Chandra Prakash Jain & Mr. Vinod Ratan Gupta.

Relevant documents referred to in the accompanying Notice and statements are open for inspection of members at the Registered office of the company during the normal business hours on all working days till the date of Annual General Meeting.

ITEM NO. 8

Mr. Jatinder Singh Sabharwal (DIN: 07364399) was appointed as an Independent Director on the Board of Directors of the Company pursuant to section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Extra Ordinary General Meeting held on January 14, 2016 to hold office for a period of 2 years effective from January 14, 2016 till January 13, 2018.

In terms of Section 149 of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Independent Director is eligible for re-appointment on passing of a Special Resolution. Mr. Jatinder Singh Sabharwal, being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a second term of 3 (Three) years with effect from January 14, 2018. A notice proposing his candidature under Section 160 of the Act, has been received from a Member of the Company.

In the opinion of the Board, Mr. Jatinder Singh Sabharwal fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Based on the Performance Evaluation carried out, the performance of Mr. Jatinder Singh Sabharwal was evaluated satisfactory.

Copy of the draft letter for re-appointment of Mr. Jatinder Singh Sabharwal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company, during normal business hours on any working day till the date of Annual General Meeting.

The Board of Directors of your Company recommends the Resolution in relation to re-appointment of Mr. Jatinder Singh Sabharwal as an Independent Director, for the approval by the shareholders of the Company by way of Special Resolution.

Except Mr. Jatinder Singh Sabharwal, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution mentioned at Item No. 8. Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement.

ITEM NO. 9

Mr. Tarun Sehgal (DIN: 07384592) was appointed as an Independent Director on the Board of Directors of the Company pursuant to section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Extra Ordinary General Meeting held on January 14, 2016 to hold office for a period of 2 years effective from January 14, 2016 till January 13, 2018.

In terms of Section 149 of the Companies Act, 2013, with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Independent Director is eligible for re-appointment on passing of a Special Resolution. Mr. Tarun Sehgal, being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a second term of 3 (Three) years with effect from January 14, 2018. A notice proposing his candidature under Section 160 of the Act, has been received from a Member of the Company.

In the opinion of the Board, Mr. Tarun Sehgal fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Based on the Performance Evaluation carried out, the performance of Mr. Tarun Sehgal was evaluated satisfactory.

Copy of the draft letter for re-appointment of Mr. Tarun Sehgal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day till the date of Annual General Meeting.

The Board of Directors of your Company recommends the Resolution in relation to re-appointment of Mr. Tarun Sehgal as an Independent Director, for the approval by the shareholders of the Company by way of Special Resolution.

Except Mr. Tarun Sehgal, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution mentioned at Item No. 9. Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement.

ITEM NO. 10

Mr. Virender Kumar Bajaj (DIN: 07401106) was appointed as an Independent Director on the Board of Directors of the Company pursuant to section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Extra Ordinary General Meeting held on January 14, 2016 to hold office for a period of 2 (two) years effective from January 14, 2016 till January 13, 2018.

In terms of Section 149 of the Companies Act, 2013, with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Independent Director is eligible for re-appointment on passing of a Special Resolution. Mr. Virender Kumar Bajaj, being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a second term of 3 (Three) years with effect from January 14, 2018. A notice proposing his candidature under Section 160 of the Act, has been received from a Member of the Company.

In the opinion of the Board, Mr. Virender Kumar Bajaj fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Based on the Performance Evaluation carried out, the performance of Mr. Virender Kumar Bajaj was evaluated satisfactory.

Copy of the draft letter for re-appointment of Mr. Virender Kumar Bajaj as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day till the date of Annual General Meeting.

The Board of Directors of your Company recommends the Resolution in relation to re-appointment of Mr. Virender Kumar Bajaj as an Independent Director, for the approval by the shareholders of the Company by way of Special Resolution.

Except Mr. Virender Kumar Bajaj, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution mentioned at Item No. 10. Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement.

ITEM NO. 11

Mrs. Madhu Bala Nath (DIN: 01320110) was appointed as an Independent Director on the Board of Directors of the Company pursuant to section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Extra Ordinary General Meeting held on 14th January 2016 to hold office for a period of 2 (two) years effective from January 14, 2016 till January 13, 2018.

In terms of Section 149 of the Companies Act, 2013, with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Independent Director is eligible for re-appointment on passing of a Special Resolution. Mrs. Madhu Bala Nath, being eligible and offering herself for re-appointment, is proposed to be appointed as an Independent Director for a second term of 3 (Three) years with effect from January 14, 2018. A notice proposing her candidature under Section 160 of the Act, has been received from a Member of the Company.

In the opinion of the Board, Mrs. Madhu Bala Nath fulfils the conditions specified in the Act and rules made thereunder for her re-appointment as an Independent Director of the Company and is independent of the management.

Based on the Performance Evaluation carried out, the performance of Mrs. Madhu Bala Nath was evaluated satisfactory.

Copy of the draft letter for re-appointment of Mrs. Madhu Bala Nath as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day till the date of Annual General Meeting.

The Board of Directors of your Company recommends the Resolution in relation to re-appointment of Mrs. Madhu Bala Nath as an Independent Director, for the approval by the shareholders of the Company by way of a Special Resolution.

Except Mrs. Madhu Bala Nath, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution mentioned at Item No. 11. Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement.

ITEM NO. 12

Mr. Jainul Haque (DIN: 00004762) was appointed as an Independent Director on the Board of Directors of the Company pursuant to section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Extra Ordinary General Meeting held on January 14, 2016 to hold office for a period of 2 (two) years effective from January 14, 2016 till January 13, 2018.

In terms of Section 149 of the Companies Act, 2013, with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Independent Director is eligible for re-appointment on passing of a Special Resolution. Mr. Jainul Haque, being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a second term of 3 (Three) years with effect from January 14, 2018. A notice proposing his candidature under Section 160 of the Act, has been received from a Member of the Company.

In the opinion of the Board, Mr. Jainul Haque fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Based on the Performance Evaluation carried out, the performance of Mr. Jainul Haque was evaluated satisfactory.

Copy of the draft letter for re-appointment of Mr. Jainul Haque as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day till the date of Annual General Meeting.

The Board of Directors of your Company recommends the Resolution in relation to re- appointment of Mr. Jainul Haque as an Independent Director, for the approval by the shareholders of the Company by way of Special Resolution.

Except Mr. Jainul Haque, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution mentioned at Item No. 12. Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement.

By order of the board
For **HPL Electric & Power Limited**

Date: August 14, 2017
Place: Gurugram
Regd. Office: 1/21, Asaf Ali Road
New Delhi - 110002

Vivek Kumar
Company Secretary
M. No. A18491

ANNEXURE

PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH THE STOCK EXCHANGES AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED IS FURNISHED BELOW:

Name of the Director	Mr. Gautam Seth	Mr. Jatinder Singh Sabharwal	Mr. Tarun Sehgal	Mr. Virender Kumar Bajaj	Mrs. Madhu Bala Nath	Mr. Jainul Haque
Date of Birth	02-01-1972	23-07-1946	10-08-1947	21-01-1958	01-04-1954	03-01-1947
Qualification	1. Bachelor of Commerce 2. Chartered Accountant	1. Bachelor of Science. 2. The Advanced Management Programme, MIT, Boston, USA	1. Bachelor of Commerce (Hons) 2. Member of the Institute of Chartered Accountants of Ontario, Canada	1. Bachelor of Commerce (Hons) 2. A certification from CAIIB	1. Bachelor of Arts 2. Masters in Education 2.Masters in History	Bachelor of Engineering
Date of first Appointment on the Board	15.02.2008	14.01.2016	14.01.2016	14.01.2016	14.01.2016	14.01.2016
Experience/ Expertise in specific functional area/Brief resume of the Director	Mr. Seth has over 20 years of experience in the electric equipment manufacturing industry. Prior to joining our Board on February 15, 2008, he was on the board of directors of Socomec-HPL Private Limited (now Socomec India Private Limited).	Mr. Sabharwal, has worked with various renowned organizations like Unilever PLC, Hindustan Lever Ltd., Tea Estate India Ltd. He remained Managing Director and CEO of Brooke Bond India Ltd. and also CEO in Blue Dart Express Ltd.	Mr. Tarun Sehgal has been associated with United Nations Development Programme (UNDP) in various countries. More particularly he remained at various posts in various countries like Senior Finance Advisor, Comptroller's Division, New York Deputy Resident Representative (Operations), Dhaka. He has also worked as the chief of finance in UN Office for Project Services(UNOPS), New York. He also worked in 2 of the "Big 5" International Accounting Firms. Mr. Sehgal is a member of the Institute of Chartered Accountants of Ontario, Canada.	Mr. Virendra Kumar Bajaj an Independent Director has been Associated with Banking Sector for over 20 years. He worked and retired as a President in Axis Bank of India. He also served State Bank of India as a Manager.	Mrs. Madhu Bala Nath, an Independent Director was a Senior policy advisor with Global Health Strategies. Prior to this, she was a Regional Policy Advisor for UN Women. She also worked as the Regional Director for South Asian Regional Office of International Planned Parenthood Federation. She has been an active consultant of gender equality, women empowerment, women development and HIV/AIDS for the past 34 years. As a UNAIDS/ UNIFEM Advisor for Gender and HIV/AIDS, she has participated in several international seminars and conferences across countries such as UK, USA, Canada, Brazil, Australia. She has also been an author of numerous publications, books, and papers published in various cities of India and abroad.	Mr. Jainul Haque, an Independent Director has been associated with large PSUs including Power Grid Corporation of India Ltd. (POWERGRID), National Thermal Power Corporation Ltd. (NTPC), National Aluminum Company Ltd, Captive Power Plants (NALCO-CPP) etc., at senior/ top managerial positions for a period over 37 years. He worked as a full-time Director, on the Board of POWERGRID at the time of superannuation and also a Part-time Director on the Board of Power Trading Corporation (PTC), Gujarat Electricity Transmission Company Ltd (GETCO) and Member on all the Regional Power Committees.

Name of the Director	Mr. Gautam Seth	Mr. Jatinder Singh Sabharwal	Mr. Tarun Sehgal	Mr. Virender Kumar Bajaj	Mrs. Madhu Bala Nath	Mr. Jainul Haque
Relationship with Directors	Son of Mr. Lalit Seth and Brother of Mr. Rishi Seth	None	None	None	None	None
Directorship held in other companies	- HPL India Ltd. - Havells Electronics Pvt. Ltd. - Himachal Energy Pvt. Ltd. - Jesons Impex Pvt. Ltd. - HPL Power Corporation Ltd. - Amerex Pvt. Ltd. - HPL Projects Portfolio Pvt. Ltd.	Himachal Energy Pvt. Ltd.	Nil	Nil	Nil	Nil
Chairman/ Member of the committee of the Board of Director in other Companies	**Himachal Energy Pvt. Ltd.** Audit Committee-Chairman Nomination and Remuneration Committee-Chairman	**Himachal Energy Pvt. Ltd.** Audit Committee-Member Nomination and Remuneration Committee-Member Corporate Social Responsibility Committee-Member	Nil	Nil	Nil	Nil
Detail of remuneration last drawn	Refer Annexure III of Directors Report	Refer Annexure III of Directors Report	Refer Annexure III of Directors Report	Refer Annexure III of Directors Report	Refer Annexure III of Directors Report	Refer Annexure III of Directors Report
Shareholding in the Company	2231740 Equity Shares of ₹ 10 each	Nil	Nil	Nil	Nil	Nil

HPL Electric & Power Ltd
Regd. & Corp. Office:
1/21, Asaf Ali Road, New Delhi-110002 Ph.: +91-11-23234411
Fax : +91-11-23232639 E-mail : hpl@hplindia.com
Website : www.hplindia.com
CIN NO. : U74899DL1992PLC048945

ATTENDANCE SLIP

25th ANNUAL GENERAL MEETING

Thursday, September 28, 2017

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

DP ID :		Folio No :	
No. of Shares Held :		Client ID :	

Name(s) and address of the member in full: _____

I/We hereby record my/our presence at the **25TH ANNUAL GENERAL MEETING** of the Company to be held on Thursday, September 28, 2017 at 10.00 A.M. at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi-110036.

_____ _____

IF SHAREHOLDER, SIGN HERE ***IF PROXY, SIGN HERE***

Shareholders/Proxies are requested to fill up the attendance slip and hand it over at the venue.

HPL Electric & Power Ltd
Regd. & Corp. Office:
1/21, Asaf Ali Road, New Delhi-110002 Ph.: +91-11-23234411
Fax : +91-11-23232639 E-mail : hpl@hplindia.com
Website : www.hplindia.com
CIN NO. : U74899DL1992PLC048945

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	U74899DL1992PLC048945
Name of the company :	HPL ELECTRIC & POWER LIMITED
Registered office :	1/21, ASAF ALI ROAD, NEW DELHI-110002

Name of the Member(s) :	
Registered address :	
E-mail Id :	
Folio No./ Client ID :	
DP ID :	

I/We, being the Member(s) of _____ shares of the Company, hereby appoint

1.	**Name**			
	Address :			
	E-mail Id :		Signature:	

Or failing him

2.	**Name**			
	Address :			
	E-mail Id :		Signature:	

Or failing him

3.	**Name**			
	Address :			
	E-mail Id :		Signature:	

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 25th Annual General Meeting of the Company, to be held on **September 28, 2017 at 10:00 A.M. at Palm Green Resort, 21/30, Bakoli, GT Karnal Road, Alipur, New Delhi-110036** and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS	
1	To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the Financial Year ended on March 31, 217 together with the reports of the Board of Directors and the Auditors thereon. (Ordinary Resolution)
2	To declare final dividend of Rs. 1.50 per equity share for the financial year ended March 31, 2017. (Ordinary Resolution)
3	To appoint a director in place of Mr. Gautam Seth (DIN: 00203405), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)
4	To appoint M/s Kharbanda Associates, Chartered Accountants (Firm Registration No. 003456N) as Statutory Auditor of the Company and to fix their remuneration. (Ordinary Resolution)
SPECIAL BUSINESS	
5	Ratification of Remuneration to the Cost Auditors for the financial year 2017-18 (Ordinary Resolution)
6	Revision of Remuneration payable to Mr. Chandra Prakash Jain (DIN: 00311643), Whole time Director of the Company. (Special Resolution)
7	Revision of Remuneration payable to Mr. Vinod Ratan Gupta (DIN: 07401017), Whole time Director of the Company. (Special Resolution)
8	Re-appointment of Mr. Jatinder Singh Sabharwal (DIN: 07364399), as an Independent Director of the Company for a second term. (Special Resolution)
9	Re-appointment of Mr. Tarun Sehgal (DIN: 07384592), as an Independent Director of the Company for a second term. (Special Resolution)
10	Re-appointment of Mr. Virender Kumar Bajaj (DIN: 07401106), as an Independent Director of the Company for a second term. (Special Resolution)
11	Re-appointment of Mrs. Madhu Bala Nath (DIN: 01320110), as an Independent Director of the Company for a second term. (Special Resolution)
12	Re-appointment of Mr. Jainul Haque (DIN: 00004762), as an Independent Director of the Company for a second term. (Special Resolution)

Signed this ..... day of ……..... 2017

Affix Revenue Stamp

Signature of Shareholder.....

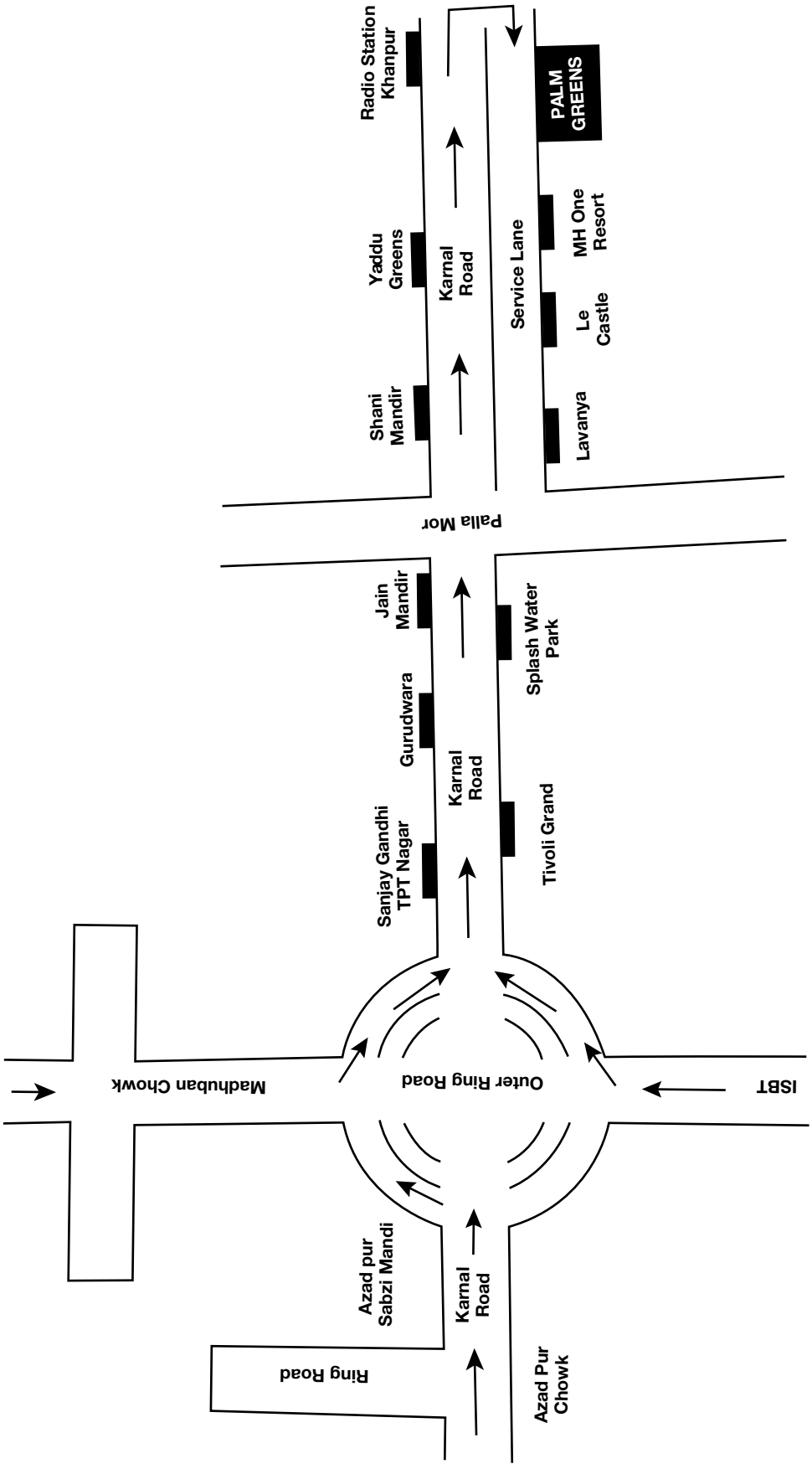
Signature of Proxy holder(s).....

Notes:

a) *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

b) *This form of proxy shall be sign by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.*

ROUTE MAP OF THE VENUE FOR 25th ANNUAL GENERAL MEETING





HPL Electric & Power Ltd

www.hplindia.com

Concept, Content & Design
WYATTPrism
COMMUNICATIONS