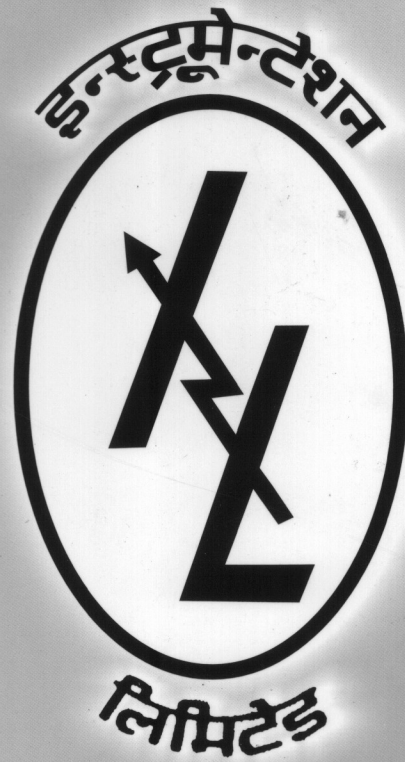


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वार्षिक प्रतिवेदन
**ANNUAL
REPORT
2018-2019**



इन्स्ट्रुमेंटेशन लिमिटेड

(भारत सरकार संस्थान)

Instrumentation Limited

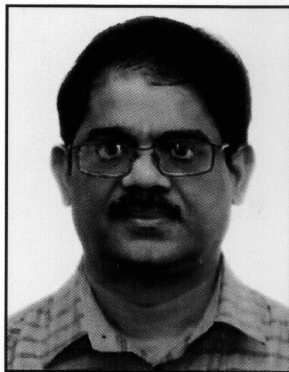
(A Government of India Enterprise)

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Board of Directors



Shri R. Gopala Rao



Shri A. M. Manichan



Mrs. Parveen Gupta



Board of Directors	: Shri R. Gopala Rao	Chairman and Managing Director Additional Charge (from 12.09.2018)
	Shri A. M. Manichan	Director (Govt. Nominee) Dy. Secretary, Finance, DHI
	Smt. Parveen Gupta	Director (Govt. Nominee) Dy. Secretary, DHI (From 27.12.2017)
	Shri Yogesh Gautam	Independent Director (From 24.06.2016 to 23.06.2019)
	Prof. (Dr.) Ram Naresh Singh	Independent Director (From 24.06.2016 to 23.06.2019)
	Shri A.K. Jain	Chairman and Managing Director Additional Charge (from 25.06.2018 to 11.09.2018)
	Shri M. P. Eshwar	Chairman and Managing Director (Up to 25.06.2018)
	Shri Alamuri Muralidhar	Director (Production) Finance (upto 19.04.2018)
Company Secretary	: Smt. Rupa Singh Bisht (From 24.10.2019)	
Auditors	: M/s. G.R. Gupta & Company, CAs, Sawai Madhopur M/s. Varier & Associates, CAs, Palakkad	- Statutory Auditors - Branch Auditors
Registered Office	: C/o Hindustan Salt Limited, G-229, Sitapura Industrial Area, Jaipur-302022(Rajasthan)	



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CHAIRMAN'S STATEMENT



Dear Members,

I have great pleasure in extending to you a warm welcome to the 55th Annual General Meeting of the Company. The report of the Directors, together with the audited accounts for the year ended 31st March 2019 and the comments of the Comptroller and Auditor General of India are with you. With your permission, I shall take them as read.

PERFORMANCE HIGHLIGHTS

During the year 2018-19, the Company has achieved turnover of **Rs. 7590.40** Lakh, as compared to turnover of Rs. 6379.26 Lakh in 2017-18 and booked orders of **Rs. 7100** Lakh as compared to previous year's order booking of Rs. 8043 Lakh despite closure of

operations of Kota Complex. Stiff competition in all areas of its operations, resulting in severe pressures on margin had been the major constraints for the Company to achieve the desired results. The Union Cabinet in its meeting held on 30.11.2016 approved closure of Kota Unit and in principle approval for transfer of Palakkad Unit to Govt. of Kerala. DHI conveyed this decision vide their letter dated 08.12.2016 and was concurred by the Board in its meeting held on 16.12.2016.

In the year 2018-19, the Company has incurred profit tax to the tune of **Rs. 1264.63** Lakh as compared to loss of Rs.1076.19 Lakh in the previous year.



Net loss after tax, for the year 2018-19 was **Rs. 10114** Lakh as compared to net loss of Rs. 1566.49 Lakh in the previous year.

Organizational issues were properly addressed considering market and financial conditions. The Company is making all out efforts to complete the closure activities as per DPE guidelines dated 07.09.2016 on closure for Kota Complex of Instrumentation Limited and all out efforts are made to improve the performance of Palakkad Unit of IL using its intrinsic strength having the goal to transfer the unit to Government of Kerala as per Union Cabinet decision as profit making 'on going' Unit.

Any goal needs an equally strong execution plan for success. To settle the liabilities of the employees and to vacate the township at Kota was not an easy job. The VRS/VSS scheme was opened on 19.12.2016 for one month and I have a pleasure in sharing with members that Company achieved 100% VRS/VSS from the employees of the Kota Complex and also township of Kota got vacated by all the employees except four which are subjudice.

We have to handover Palakkad Unit to Govt of Kerala as a profit making 'on going concern'. We need to generate income from our operations. Today at ILP we have good orders in hands and we are continuously striving to enhance our order booking and turnover in 2018-19 to surpass the target achieved in 2017-18. It is certainly difficult, but not impossible. After closure of

operations of Kota Complex all the MOU were transferred to Palakkad Unit to enhance the performance of Palakkad Unit and have taken action to enter into new business like AMC of Thermal Power Stations, business enhancement through channel partners, etc.

ISO-9001, ISO-14000 AND OHSAS-18001 CERTIFICATION

During the year under review Palakkad Unit maintained ISO-9001:2008, ISO 14001:2015 and OHSAS 18001:2007 accreditation. This has imparted status of enhanced quality products and services and safety which are much needed in contemporary business for domestic as well as export markets.

MOU with DHI

As Closure activities of Kota Complex and Status of transfer of Palakkad Unit to Govt of Kerala are in advance stage hence DHI and DPE have exempted the Company for Memorandum of Understanding (MoU) with Department of Heavy Industry (Ministry of Heavy Industries and Public Enterprises) as a commitment to the Administrative Ministry for the year 2018-19. The parameters for the year 2017-18 of MoU are related to proposed closure of IL Kota i.e. disposal of movable and immovable assets and transfer of IL Palakkad Unit to Government of Kerala.

The Company had submitted MoU evaluation for the year 2018-19 through Administrative Ministry to DPE and it is my pleasure in sharing with all the members that the Company achieved MoU rating for year 2017-18 as 'Fair'.

STATUS OF SUBSIDIARY COMPANY

Rajasthan Electronics and Instruments Limited, Jaipur (REIL, Jaipur):

After handing over all the Shares holdings of IL in REIL to GoI as per DHI directives dated 01.03.2017, REIL, Jaipur seized to be a subsidiary of IL as on 31.03.2017. Since then the Company has no subsidiary.

PRESENT STATUS OF THE COMPANY

Closure of IL Kota is under completion and handing over of IL Palakkad Unit to GOK is in advance stage.

STATUS CLOSURE ACTIVITIES AT KOTA

Closure activities started at Kota with issuance of General Notice to employee & all Concern on 08.12.2016. Brief of closure activities completed is as below:

A. Employees:

- 1) All the employees of Kota Complex have been relieved on 18.04.2017. One employee who had filed a civil writ petition in Hon'ble Rajasthan High Court has also been relieved w.e.f. 18.04.2017 as per verdict of Hon'ble Rajasthan High Court.
- 2) Dues of all the employees/ ex-employees have been settled. There are certain matters which are pending in courts shall be settled as per the verdict of Hon'ble Courts & further guidelines from the Administrative Ministry.

B. Movable Assets:

96% value wise movable assets of IL

Kota have been disposed off through MSTC.

c. IMMOVABLE ASSETS:

1. In accordance with the directions by DHI 181.883 acre land at Kota with all built up structures free of all encumbrance and 10.59 acre land (inclusive of 0.59 acre of free hold land) of Sitapura Industrial Area.
2. Jaipur have been handed over to Government of Rajasthan & RIICO.
3. Disposal of other assets at Jaipur, New Delhi, Varodara and Mumbai in process with M/s NBCC as per Govt. directives.

STATUS TRANSFER OF PALAKKAD UNIT TO GOK:

1. The process of handing over of IL Palakkad Unit to GOK started on 11.01.2017 with kick off meeting between Chief Secretary, GoK and Joint Secretary, DHI. GoK desired to take the Unit on Zero Cost Zero Liabilities.
2. Based on the financial valuation report of professional and established chartered accountants M/s Varma & Varma and Restructuring and Internal Audit Board (RIAB) and technical evaluation of inventory by M/s FEDO in respect of enterprise valuation GOK and series of meetings of DHI & IL with apex committee of GoK, the methodology is decided and the transfer of Palakkad Unit of IL to GOK is in advance stage.

THE ROAD AHEAD

I wish to state that in spite of a continued stretched business environment, the year



gone by can be considered satisfactory from an operational perspective for Palakkad Unit and closure activities for Kota Complex. The Company made all out efforts to maintain the presence of ILP's products in the market and entered in new fields to take over the dropped business due to closure of Kota Complex such as Annual Maintenance Contract (AMC) of Thermal Power Station of Uttar Pradesh Vidhyut Utpadan Nigam Limited (UPVUNL), Third Party Inspection, etc. to handover the Unit in operational & profit making condition to GOK. All earnest, we have endeavored to deliver the trust, the customer reposed in us which gave us the strength to face the situation realistically.

FUTURE PROSPECTS

The Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry, New Delhi vide letter No.: 5(1)/ 2016-PE-VIII dated 08.12.2016 has informed the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (Kota Complex) of Instrumentation Limited (IL) and in principle approval of transfer of Palakkad Unit of IL to Government of Kerala. In view of decision of the Union Cabinet for closure of Kota Unit and in principle approval of transfer of Palakkad Unit to Govt. of Kerala, all out efforts are being made to complete the closure activities of Kota Complex in time bound manner and transfer of Palakkad Unit of IL to Government of Kerala as per the schedule based on DPE guidelines No. DPE/5(1)/ 2014 - Fin. (Part) dated 07.09.2016. The Palakkad Unit of IL is to be transferred to GOK, with signing of MOU among GOK, DHI/GOI and IL.

VIGILANCE:

The company ensures transparency, objectivity quality of decision making in its operations monitor the same. We have Vigilance Department Chief Vigilance Officer, nominated by Administrative Ministry. During the year Vigilance Department functioned as an effective part of management and all the cases have been processed & brought to closure except cases in Hon'ble CBI court. Our greater emphasis was laid on preventive vigilance.

INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

The industrial relations during the year continued to be harmonious and cordial and supporting to smooth operation as ever. In the current year your Palakkad Unit has improved a lot in terms of industrial discipline with positive overall environment, maintaining very cordial relation with unions and associations.

CORPORATE GOVERNANCE

It is my strong belief that good Corporate Governance is essential to achieve long-term corporate goals and to safeguarding the interest of all stake holders and to satisfy the core principles of accountability, transparency and fair dealings. The commitment is to strictly comply at all level with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE). This is imperative for the overall enhancement of all operations & activities of the Company.



ACKNOWLEDGEMENT

I would also like to place on record my appreciation and gratefulness to my colleagues on the Board for their valuable contribution and cooperation in guiding the Company.

I seek your continued support and encouragement as the Company has been receiving so far. We are thankful to the Government of India, State Government of Rajasthan and Kerala and other agencies and authorities for their help to the Company.

I would like to convey, on behalf of my Board and my own, our deep appreciation for all our colleagues, the support and confidence we receive from our valued customers and business associates.

We are also grateful to the Statutory Auditors of the Company and to CAG for their observations and suggestions.

I also convey my sincere thanks to Financial Institutions, Banks and other lenders for their unstinted faith in us. I am thankful to our vendors and associates for business cooperation.

I would like to extend my thanks for immense contribution made by the employees of the Company through their dedication and commitment.

I now move the Directors' Report as well as the audited Balance Sheet and the Statement of "Profit & Loss" for the year 2018-19 to be approved and adopted.

R. Gopala Rao

Chairman and Managing Director

Dated:



DIRECTORS' REPORT

To,
The Shareholders

Ladies and Gentlemen,

Your Directors have pleasure in presenting their 55th Annual Report alongwith Audited Accounts for the year ended 31st March, 2019, Report of the Statutory Auditors and Comments thereon by the Comptroller and Auditor General of India.

PERFORMANCE HIGHLIGHTS

The Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry, New Delhi vide letter No.: 5(1)/ 2016-PE-VIII dated 08.12.2016 has informed the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (Kota Complex) of Instrumentation Limited (IL) and in principle approval of transfer of Palakkad Unit of IL to Government of Kerala. Accordingly, the Kota unit is closed and not in operation and Palakkad Unit of Instrumentation Limited is under process of transfer to Government of Kerala.

The Financial Statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' for Palakkad Unit and 'not on going concern' basis for Kota complex with revenue recognized and expenses accounted for on accrual system of accounting.

However, operations at Palakkad Unit are on and during the year 2018-19, the Company has achieved turnover of ₹ **7590.40** Lakh, as compared to turnover of ₹ 6379.26 Lakh in 2017-18.

In the year 2018-19, the Company has earned profit before depreciation, interest and tax ₹ 1264.63 Lakh as compared to loss of ₹ 1076.19 Lakh in the previous year.

Net Profit after tax, for the year 2018-19 was ₹ **10114** Lakh as compared to net loss of ₹ 1566.49 Lakh in the previous year.

OPERATING RESULTS

The salient features of the operating results for the year 2018-19 as compared to the previous year are given below: -

(₹ in Lakhs)			
S No	Particulars	2018-2019	2017-2018
a.	Turnover	7590.40	6379.26
	Job done for internal use	-	-
	Less:- Excise Duty	-	68.49
	Net Turnover	7590.40	6310.70
b.	Other Income	804.84	569.18
	Total Income	8395.24	6879.95
c.	Expenditure on material	3196.17	3163.23
d.	(Accretion)/Decretion	84.12	(152.76)
e.	Employees remuneration and benefits	2026.45	2413.03
f.	Services & Sub-Contracting	844.13	770.59
g.	Financial Cost	23.03	314.49
h.	Depreciation & Amortisation	140.97	172.40
i.	Other Expenditure	979.74	1762.05
j.	Total Expenditure	7294.61	8443.03
k.	Profit/(Loss) before exceptional and extraordinary item and tax	1100.63	(1563.08)
l.	Exceptional items :-	(9013.37)	3.40
	Income - Write back of credit balance Rs. (81.58) Lakh, Waived off Govt. of Rajasthan Loan Rs. (13617.68) Lakh, Expenses : VRS/VSS Rs.1.56 Lakh Fixed Assets Written off Rs. 118.78 Lakhs, Liability for gratuity & EL towards earlier years Palakkad Unit Rs. 257.80 Lakhs, Sales Tax Towards earlier years Palakkad unit Rs. 4.38 Lakhs, Stock discrepancy provision prior period Palakkad Unit Rs. 144.03 Lakhs, LD Provision prior period Palakkad Unit Rs. 3398.60 Lakhs, Doubtful debts provision prior period Palakkad Unit Rs. 760.72 Lakhs and other prior period expenses Palakkad Unit Rs. 0.03 Lakhs.		
m.	Profit/(Loss) before extraordinary item tax	(10114)	(1566.49)
n.	Extraordinary item	-	-
o.	Profit/(Loss) after tax & Adjustment	(10114)	(1566.49)

ORDER BOOKING

During the year under review (2018-19) Palakkad Unit of the Company continued to face stiff competition in all areas of its operations, resulting in severe pressures on margins. Because of high quality products & services and proven track record, Palakkad Unit maintain its market share and booked orders of ₹ **8043** Lakh as compared to previous year's order booking of ₹ 7100 Lakh. Some of the major and prestigious orders received by the Company are as below: -

- Butterfly valve Orders worth ₹ 676 Lakhs from GE Power.
- Control Valves Orders worth ₹ 204 Lakh from



ISRO (IPRC Mahendragiri).

- c) Butterfly Value Order worth ₹ 187 Lakh from BHEL.

ISO-9001, 14000 AND OHSAS

CERTIFICATION

During the year under review Palakkad Unit maintained ISO-9001:2008, ISO 14001:2015 and OHSAS 18001:2007 accreditation. This has imparted status of quality products and services which is much needed in contemporary business.

SALES AND SERVICE

The Company has achieved a turnover of ₹ 7590.40 Lakh during the year as against turnover of ₹ 6379.26 Lakh during the previous year 2017-18. In order to adhere with the Govt. directives operations of all the Units i.e. Kota Complex had been closed w.e.f. 01.04.2017 and MOU business were transferred to Palakkad Unit. This year contribution towards the Company's turnover is from Palakkad Unit. The Unit-wise turnover of the Company for the year 2018-2019 as compared to the previous year are given below :-

		(₹ In lakhs)	
S.No.	Unit	2018-19	2017-18
1	Kota Unit	-	4.50
2	Palakkad Unit	7590.40	6374.76
	Total	7590.40	6379.26

EXPORTS

During the year under review Palakkad Unit of the Company achieved an export turnover of NIL including deemed exports (Previous year ₹ 412.28) and physical exports during the year 2018-19 have been worth ₹ 48.22 Lakh (Previous year ₹ 4.90 Lakh).

DIVIDEND

Directors do not recommend any dividend during the year.

RESERVES

Directors do not propose to carry any amount to reserves for the year under review.

DETAILS OF DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposit under Sec.73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

FINANCE

Paid-up Capital of the Company as on 31.3.2019

remained at ₹ 2404.53 Lakh and Share Application Money at ₹ 12200.96 Lakh is pending for allotment of equity and preference shares. This includes conversion of loan of ₹ 2598.46 Lakh into Equity Shares in accordance with the sanctioned Revival Scheme.

BORROWINGS FROM THE GOVERNMENT/ PSUs

GOI provided a loan of Rs. 584.57 Crore against the decision of closure of Kota Complex towards clearance of employees' liabilities and other dues.

As per decision of Union Cabinet taken in meeting held on 30.11.2016, Loan from Govt. of Rajasthan is to be negotiated/settled. In this regards, Company has been received a approval of Govt. of Rajasthan vide letter No. P.15(22 industry/1/1993/part dated 05.06.2018 issued from Deptt. of Industry (Group-1). Govt. of Rajasthan for conveying cabinet approved No. 86/2018 of Govt. of Rajasthan in respect of waived off outstanding Loan with interest upto 31.03.2018. Accordingly, Loan of Govt. of Rajasthan outstanding as on 31.03.2018 has been waived off against the surrendering of land to government of Rajasthan.

WORKING CAPITAL

During the financial year under review Inventory and Sundry Debtors were ₹3394.38 Lakh and ₹ 8433.93 Lakh respectively as compared to ₹ 3393.93 Lakh and ₹ 12914.78 Lakh respectively during the previous year. The operation of Kota Unit is closed and operations at Palakkad Unit are going smoothly with sufficient working capital.

MOU WITH DHI

As operations of Kota Unit of the Company are closed and handing over of Palakkad Unit to Government of Kerala is in advance stage. The Inter Ministerial Committee considered the recommendations of Pre Negotiation Committee (PNC) for exemption to Instrumentation Limited for MoU for year 2018-19. Thus exemption from entering into a MOU for year 2018-19 was given by the MOU Division of DPE.

FUTURE PROSPECTS

The Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry, New Delhi vide letter No.: 5(1)/ 2016-PE-VIII dated 08.12.2016 has informed the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (Kota Complex) of Instrumentation Limited (IL) and in principle approval of transfer of Palakkad Unit of IL to Government of Kerala.

An MOU was signed between DHI, Govt of Kerala and IL on 16 Nov 2018 for transfer of Palakkad Unit of IL to Govt of Kerala. The matter is being pursued between DHI and GOK.



SUBSIDIARY COMPANY:

After handing over of Shares to Gol as per DHI directives dated 01.03.2017, REIL was seized to be a subsidiary of IL as on 31.03.2017. Since then the Company has no subsidiary.

WORKERS PARTICIPATION IN MANAGEMENT

Keeping in view the guidelines of the Government of India on the subject and to foster a sense of belongingness and team spirit amongst the employees, Shop Councils and Joint Management Councils were formed. Since all the employees have opted VRS/VSS and have been relieved on 18.04.2017 there is no Councils at Kota. In Palakkad Unit of IL, with the association of Workers' representatives, useful contributions emerge during the councils' deliberations for improving productivity, efficiency, minimizing absenteeism, waste and on all other related matters.

RESERVATION FOR SC & ST AND DISABLED PERSONS

The Government directives regarding reservation for SC / ST, Physically handicapped and Ex-service personnel etc. were adhered to during the year under review. The total number of employees belonging to these categories at the end of the year was 51 representing nearly 20.4% of the total manpower of 250.

PERSONNEL AND INDUSTRIAL RELATIONS AND WELFARE

The industrial relations in the Company were continued to remain generally cordial and harmonious.

HUMAN RESOURCE & DEVELOPMENT

For better utilization of Human Resources and improvement in work culture and productivity, the Human Resource Development Department undertook various programs to train/ retrain the employees to develop their skills.

VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a secured system to provide for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism and to enable our Directors & Employees to report their genuine concerns or grievances, generally impacting / affecting the business of our Company, including but not limited to improper or unethical behaviour / misconduct / actual or suspended frauds / violation of code of conduct. Vigil Mechanism of the company is available on the website of the company i.e. www.ilkota.in.

Any Director or employee can directly email his/her

concern or complaint to cvo@ilkota.in. The CVO will take appropriate action for its resolution.

VIGILANCE ACTIVITIES

During the year Vigilance Department functioned as an effective part of management and greater emphasis was laid on preventive vigilance.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER S.186 OF THE COMPANIES ACT, 2013

The Company has not advanced any loans, provided any guarantee or made any investment under Section 186 of the Companies Act, 2013 during the period under review.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

There were no contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with rules prescribed under Chapter XII relating to Meetings of Board and its Power as amended from time to time.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of Palakkad Unit of the Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The company has well placed proper and adequate systems of internal control and documented procedures covering all financial and operating functions. Adequate internal control measures are in the form of various codes, manuals and procedures issued by the management covering all critical and important activities viz. Purchase, Material, Stores, Works, Finance, and Personnel etc. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audit of various divisions are conducted by firms of Chartered Accountants. Internal control system ensures complete compliance with laws, regulations, standards and internal procedures and systems.

EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 has been given at Annexure-I.

PREVENTIVE SEXUAL HARASSMENT POLICY

The Company has in place a Preventive Sexual Harassment Policy in line with the requirements of



The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19:

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

PROGRESSIVE USE OF HINDI

The Company's emphasis on use of Hindi in its official working continued and effective steps have been taken on the implementation of provisions of the Official Languages Act and rules framed thereunder. Use of Hindi language was promoted in communication and employees were motivated through competition, prizes and incentives declared by the Company from time to time. More employees from non-Hindi speaking areas are taking interest in the use of Hindi.

DISCLOSURE OF PARTICULARS

In accordance with the provision of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 the information is given below: -

(a) CONSERVATION OF ENERGY

The Company is not a bulk user of energy. However, keeping the Government directives in mind, maximum saving of energy is being planned at all its works locations.

(b) TECHNOLOGY ABSORPTION - R & D ACTIVITIES

In the year under review Palakkad Unit Designed, Developed and Supplied Passive Air Damper, HSAR (Hydraulically Suspended Absorber Rod) and Self Regulating Non Return Valve for sodium application to IGCAR (Indira Gandhi Center for Atomic Research) Kalpakkam.

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company earned foreign exchange equivalent to ₹ 48.22 Lakh (previous year ₹ 4.90 Lakh) while the foreign exchange outgo was ₹ 517.58 Lakh (previous year ₹ 533.18 Lakh).

(d) POLLUTION CONTROL

The Company's products are Eco-friendly as

these are, by and large, electronic in nature and pollution and environmental hazards are negligible.

(e) SAFETY

Safety of manpower, machinery and environment is the guiding factor in the Company's operations. The year under review continues to be another accident-free year.

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

There was no employee of the Company who is falling under this provision for the financial year under reference, who has received remuneration in excess of limits prescribed i.e. remuneration of not less than ₹ 102,00,000/- per annum or ₹ 8,50,000/- per month under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016, hence, information may be treated as NIL.

RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (C) of the Companies Act, 2013, the Board of Directors state that: -

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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 the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts of Kota Complex on a 'Not Ongoing Concern' basis and have prepared annual accounts of Palakkad Unit on an 'Ongoing Concern' basis.
- (e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



CORPORATE GOVERNANCE

Instrumentation Limited (IL) believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. IL has been complying with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE) and submits Compliance Report to Department of Heavy Industry (DHI) on quarterly basis.

Report on Corporate Governance and Management Discussion and Analysis Report are annexed at Annexure-II to this Directors' Report.

CLOSURE OF KOTA COMPLEX AND TRANSFER OF PALAKKAD UNIT TO GOVT. OF KERALA

Pursuant to the Union Cabinet's decision dated 30.11.2016 and DHI directives dated 08.12.2016, all out efforts are being made to complete the closure activities for Kota Complex and transfer of Palakkad Unit to Govt. of Kerala as per prescribed guidelines.

Brief status of activities is as follow:-

- a) All employees of Kota Complex opted VRS/VSS and have been relieved on 18.04.2017, one employee who had filed a writ petition in Honorable Rajasthan High Court, Jaipur against the closure decision of Union Cabinet dated 30.11.2016 was also given VRS/VSS as per orders of Hon'ble Rajasthan High Court, Jaipur.
- b) Value wise 100% of movable assets have been disposed off through MSTC.
- c) Sale of immovable assets is in progress through M/s NBCC / DIPAM as per DPE guidelines on closure.
- d) Immovable Assets of Kota unit of IL, the land as detailed below, have been handed over to Govt. of Rajasthan as directed by DHI vide letter Ref. No. 6(1)/2014 PEVIII dated 23rd August, 2018 against waiver of soft loan of Rs.136.49 Crores in lieu of the land surrender.
 - a. The 181.883 Acres leased hold land at Kota, with all the built up structure, handed over to Govt. of Rajasthan on 29.08.2018.
 - b. The 10 Acres of leased land and 0.59 Acres freehold land at Sitapura Industrial Area, Jaipur handed over to Govt. of Rajasthan on 28.08.2018
- e) 1.04 Acre land at MIA, Jaipur sold / transferred to the IB as communicated by DHI vide letter dated 21st June, 2019 and Physical possession of the land given to IB on 16.10.2019. Sale Agreement is signed between M/s IB and IL on 01.01.2020 and complete sale proceeds have been received.

- f) 1.37 Acre land at MIA, Jaipur sold/transferred to the Ministry of Ayush (MoA) as communicated by DHI vide letter dated 21st June, 2019 and balance sale proceed amounting to Rs. 3.62 Crores is to be received.
- g) Transfer of Palakkad Unit of Instrumentation Limited is in process of Transfer to Government of Kerala.
- h) After disposal of the filled-in industrial gas cylinders and computer items of Administrative Building & IT Centre, through MSTC, the Guest House building is handed over to GoR on 15.11.2019.
- i) Registered and Corporate office of the company has been shifted to Jaipur from Kota with approval of share holder in their extra ordinary General Meeting held on 9th September, 2019.
- j) Out of total fund of Rs. 584.57 Crore received from GOI, an amount of Rs. 561.44 Crore has been disbursed towards liabilities of ILEPFT, Ex-Employees, VRS/VSS opted Employees, Bankers Taxes, Unsecured Creditors and towards watch and ward expenses.

AUDITORS

In accordance with Section 143(5) of the Companies Act, 2013, Comptroller and Auditor General of India has appointed Auditors for the Company. Accordingly, M/s PRAMOD & ASSOCIATES, Lal Khoti Scheme, Jaipur were appointed as Statutory Auditors and M/s. VARIER & ASSOCIATES, CAs, Palakkad were re-appointed as Branch Auditors for auditing accounts for Palakkad Unit for the financial year 2019-20.

Certain qualifications are made by the Statutory Auditors in their report dated 22.01.2020 and Annexures thereto required to be dealt with in this report. The qualifications/ reservations together with replies of the Directors are given in Annexure-III enclosed forming part of this report.

COST AUDITORS:

Pursuant to the Union Cabinet's decision dated 30.11.2016 and DHI directives dated 08.12.2016 all business operations of Kota Complex have been stopped. Palakkad Unit alone remained operative Unit hence Turn Over of the Company has fallen to the level of Rs. 75.90 Crore, In accordance with the Rule-4 of the Companies (Cost Records and Audit) Rules, 2014 which states that Cost audit requirement has been made subject to a turnover based threshold for non-regulated sector of ₹ 100 crore for all products or services and of ₹ 35 crore for individual product or service. Hence cost audit is not required for our Company from the financial year 2018-19.



REPORTING OF FRAUDS BY AUDITORS

For the Financial year 2018-19, no fraud by the Company or on the Company by its officers or employees has been noticed or reported by the Statutory Auditors to the Board of the Company.

REVIEW OF THE ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General of India have reviewed the accounts of the Company for the year ended 31st March, 2019. A copy of his comments under section 143 (6)(b) of the Companies Act, 2013 is placed at Annexure-IV.

BOARD OF DIRECTORS

APPOINTMENTS:

Shri Rakkam Gopala Rao, (DIN: 06970622) Managing Director of Hindustan Newsprint Limited (HNL) has been entrusted with additional charge of Chairman and Managing Director of Instrumentation Limited for a period of 3 (Three) months w.e.f the date of Vacancy i.e 12.09.2018 vide DHI Letter dated 26.10.2018 bearing number 5[3]/20118-PE-VIII.

Further, extended to six month period i.e upto 11.06.2019 then DHI vide order dated 22.08.2019 having file No.5(3)/2018-PE-VIII (e-14717) has communicated extension of period by one year i.e upto 11.06.2020.

Shri A.K Jain (DIN: 03466588), Managing Directors, of Rajsthan electronics & instrumentation Limited has been entrusted with the additional charge of chairman and Managing Directors, instrumentation Limited vide DHI Order dated 19.06.2018 having reference No.5[3]/2018-PE-VIII.

M.P Ishwar has been entrusted with Additional Charge as Director (Fin.) vide DHI Order dated 11.04.2018 having number 8[1]/2013-PE-VIII.

Ms. Rupa Singh Bisht, a member of the Institute of Company Secretaries of India, having Membership No. A46662, holding prescribed qualification as per the applicable provisions of the relevant Act, appointed as a Whole Time Company Secretary of the Company on Contract basis w.e.f. 24.10.2019 by the CMD and the same is ratified by the Board of Directors at their 338th meeting held on 18.12.2019 vide agenda item 338.05

CESSATION:

Additional Charge of Shri A.K Jain as Chairman and Managing Directors of Instrumentation Limited has been ceased due to completion of tenure of 3 Month vide DHI Order dated 19.06.2018 having reference No.5[3]/2018-PE-VIII.

Shri Yogesh Gautam and Prof. (Dr.) Ram Naresh Singh has been ceased as Non-Official Independent Directors of the Company due to completion of Tenure of 3 years vide DHI order dated 24.06.2016 bearing Ref No.8(1)/2014-PE-VIII.

Shri M.P Ishwar relieved from the post of Chairman and Managing Director (CMD) w.e.f 25.06.2018 on resignation vide order 5[3]/2018-PE-VIII dated 19.06.2018 and Additional Charge of directors (finance) was upto 31.05.2018 as per DHI order No.8[1]/2013-PE-VIII dated 11.04.2018.

Shri A.K Shringi has tendered his resignation from the post of Chief Advisor (FA& Company Secretary) and same has been approved by the Board of Directors.

The Board of Directors placed on record the appreciation of the valuable services rendered as well as advice and guidance provided by the Directors during their tenure.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors duly met 06 times during the Financial Year from 1st April 2018 to 31st March, 2019. The dates of the meetings are given in Report on Corporate Governance at Annexure II.s

AUDIT COMMITTEE:

IL has constituted an Audit Committee in terms of Section 177 of the Companies Act and also as per DPE guidelines. The Audit Committee reviews, with the management, annual financial statements before submission to the Board for approval. The Committee also oversees the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. The terms of reference of Audit Committee include:

Composition of Audit Committee:

The constitution of the Audit Committee as on 31.03.2019 was as follows:

1. Shri Yogesh Gautam, Chairperson, Non-official Independent Director
2. Shri Ram Naresh Singh, Member, Non-official Independent Director
3. Shri A.M Manichan, Member, Director

The Audit Committee of the Board of Directors met Three times on 01.12.2018, 11.01.2019 & 25.03.2019.

Due to the completion of tenure of appointment on 23.06.2019, Shri Yogesh Gautam and Shri Ram Naresh Singh has been ceased to be Non-Official Independent Director and vacated the Office on 23.06.2019.



The Audit Committee has be reconstituted, without having any Independent Director as a member of Audit Committee, by the Board of Directors in their 336th Meeting held on 29.08.2019 and named as "Adhoc Audit Committee" as Follows.

1. Shri A.M Manichan, Chairperson
2. Smt. Parveen Gupta, Member
3. Shri R. Gopala Rao, Special Invitee

Company has already requested to Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises to appoint sufficient number of Independent Directors on the Board of the Company.

DECLARATION BY INDEPENDENT DIRECTOR

A declaration has been given by Independent Directors under Section 149(6) of the Companies Act, 2013

ADDITIONAL INFORMATION PURSUANT TO RECOMMENDATIONS OF PARLIAMENTARY COMMITTEE

	(₹ In lakhs)	
	2018-19	2017-18
(a) Foregin Tours	0.00	0.55
(b) Expenditure on Public Relations / Business Promotion	0.00	5.18
(c) Entertainment Expenditure	Nil	0.00

REASON FOR DELAY IN HOLDING ANNUAL GENERAL MENG:

Following are the reason for delay in holding 55th Annual General Meeting of Instrumentation Limited for the Financial year ended 31.03.2019 beyond extended time period:

- As per Section 177 of Companies Act, 2013, audit Committee shall consist of minimum of 3 Directors with Independent Directors forming a majority. Due to Non- appointment of Non-Official Independent Director on the Board of Instrumentation Limited (IL) by the Ministry of heavy Industries & Public enterprises, Department of Heavy Industries, New Delhi.

Approval of Board of Directors on Annual Account for the Financial Year ended 31.03.2019 has been

accorded in duly convened Board Meeting held on 22.01.2020 on recommendation of Adhoc Audit Committee and accordingly, the Annual Account for the year ended 31.03.2019 has been submitted to Statutory Auditor for their Report and also to Comptroller & Auditor General of India (C&AG) for their comments and the same is time taking process.

OTHER

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

APPRECIATION

The Directors wish to place on record their sincere thanks for the support and patronage received from the valued customers.

The Board acknowledges the sincere support and extends its grateful thanks to the Government of India, particularly Department of Heavy Industry, Board for Reconstruction of Public Sector Enterprises, Board for Industrial and Financial Reconstruction.

The Board also acknowledges the sincere support and extends its grateful thanks to Department of Electronics, Department of Public Enterprises, C-DOT, the State Government of Rajasthan, State Government of Kerala, Industrial Development Bank of India (as the Monitoring Agency of BIFR), Statutory Auditor, branch auditor, government auditor and the Company's Bankers i. e. State Bank of India and ICICI Bank Limited for their continued co-operation and guidance.

The Board Directors also acknowledge the co-operation and support received from the collaborators and thank them for their support for the operations of the Company.

The Board also wishes to place on record its deep appreciation for the valuable contributions made by employees at all levels of the Company.

**For and on behalf of the Board of Directors of
INSTRUMENTATION LIMITED**

R. Gopala Rao
Chairman-and-Managing Director

Dated: 29.05.2020



ANNEXURE - I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS :

i	CIN	U29299RJ1964GOI001174
ii	Registration Date	21-03-1964
iii	Name of the Company	INSTRUMENTATION LIMITED
iv	Category/Sub-category of the Company	Union Government Company/Limited by Shares
v	Address of the Registered office & contact details	C/o Hindustan Salt Limited, G-229, Sitapur Industrial. Area, Jaipur (Raj.)-302022 Tel : 0141-2771885 Fax : NIL
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	Process Control Instruments	9026	00.00
2	Control Valves	8481	100.00
3	Telecommunication Apparatus	8517	-
4	Un-Interrupted Power Supply Systems	8543	-

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% to Shares held	Applicable Section
1	----	----	----	----	----

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**(i) CATEGORYWISE SHAREHOLDING**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. Promoters									
(1) Indian									
a) Individual/HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	240453	240453	100	Nil	240453	240453	100	Nil
c) State Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Bank/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	0	Nil	Nil	Nil	0	Nil
SUB TOTAL:(A) (1)	Nil	240453	240453	100	Nil	240453	240453	100	Nil



(2) Foreign									
a) NRI- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
e) Any other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
SUB TOTAL (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	Nil	240453	240453	100	Nil	240453	240453	100	Nil

B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Cap. Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL (B)(1):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(2) Non Institutions									
a) Bodies corporates									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individuals Shareholders holding nominal share cap.in excess of Rs.1 lac	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL (B)(2):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Total Public Shareholding (B)= (B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	240453	240453	100	Nil	240453	240453	100	Nil

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the Beginning of the year			Shareholding at the End of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	President of India and his Nominees	240,453	100	Nil	240,453	100	Nil	Nil
	Total	240,453	100	Nil	240,453	100	Nil	Nil



(iii) CHANGE IN PROMOTERS' SHAREHOLDING (Specify if There is No Change)

Sl. No.	President of India	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	240,453	100	240,453	100
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
3	At the end of the year	240,453	100	240,453	100

Sl. No.	Smt. Ritu Pande (nominee of Central Government)	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	01	0.0	0.1	0.0
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) Decrease: Transfer to the name of <i>Smt. Parveen Gupta</i> , Deputy Secretary, DHI vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII and approved by the Board of Directors in their duly convened meeting held on 11.01.2019	(01)	0.00	Nil	Nil
3	At the end of the year	Nil	Nil	Nil	Nil

Sl. No.	Shri M.P. Eshwar (nominee of Central Government)	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	01	0.0	0.1	0.0
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) Decrease: Transfer to the name of <i>Shri Gopala Rao, MD, HNL</i> (additional Charge of CMD IL) vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII (17882) and approved by the Board of Directors in their duly convened meeting held on 11.01.2019	(01)	0.00	Nil	Nil
3	At the end of the year	Nil	Nil	Nil	Nil



Sl. No.	Shri R Gopala Rao MD, HNL, (additional Charge of IL) (nominee of Central Government)	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	01	0.0	0.1	0.0
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) Decrease: Transfer to the name of Shri A.M Manichan, Deputy Secretary, DHI vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII and approved by the Board of Directors in their duly convened meeting held on 11.01.2019. Increase: Transfer from Shri M.P Ishwar vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII (17882) and approved by the Board of Directors in their duly convened meeting held on 11.01.2019.	(01)	0.00	0	0.00
		01	0.00	01	0.00
3	At the end of the year	01	0.0	01	0.0

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
(1)	(2)	(3)	(4)	(5)	(6)
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change	No Change	No Change	No Change
3	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil



(v) SHAREHOLDING OF DIRECTORS & KMP.

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	No Change	No Change	No Change	No Change
3	At the end of the year	Nil	Nil	Nil	Nil

Sl. No.	Shri M.P. Eshwar (nominee of Central Government) (Chairman and Managing Director)	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	01	0.0	0.1	0.0
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) Decrease: Transfer to the name of Shri Gopala Rao, MD,HNL (additional Chargeof CMD IL) vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII (17882) and approved by the Board of Directors in their duly convened meeting held on 11.01.2019	(01)	0.00	Nil	Nil
3	At the end of the year	Nil	Nil	Nil	Nil

Sl. No.	Smt. Ritu Pande (nominee of Central Government) (Director)	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	01	0.0	0.1	0.0
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) Decrease: Transfer to the name of Smt. Parveen Gupta, Deputy Secretary, DHI vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII and approved by the Board of Directors in their duly convened meeting held on 11.01.2019	(01)	0.00	Nil	Nil
3	At the end of the year	Nil	Nil	Nil	Nil



Sl. No.	Shri R Gopala Rao MD, HNL, (additional Charge of IL) (nominee of Central Government)	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	01	0.0	0.1	0.0
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) Decrease: Transfer to the name of Shri A.M Manichan, Deputy Secretary, DHI vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII and approved by the Board of Directors in their duly convened meeting held on 11.01.2019. Increase: Transfer from Shri M.P Ishwar vide DHI Letter dated 08.01.2019 having reference No. 5(25)/99-PE-VIII (17882) and approved by the Board of Directors in their duly convened meeting held on 11.01.2019.	(01)	0.00	0	0.00
		01	0.00	01	0.00
3	At the end of the year	01	0.0	01	0.0

V INDEBTEDNESS

(Amount in ₹)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,840,180	7,207,468,000	Nil	7,220,308,180
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	12,840,180	7,207,468,000	Nil	7,220,308,180

Change in Indebtedness during the financial year				
Additions	6,780,465	Nil	Nil	6,780,465
Reduction	Nil	1,361,768,000	Nil	1,361,768,000
Net Change	6,780,465	1,361,768,000	Nil	1,354,987,535

Indebtedness at the end of the financial year				
i) Principal Amount	19,620,645	5,845,700,000	Nil	5,865,320,645
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	19,620,645	5,845,700,000	Nil	5,865,320,645



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particular of Remuneration	Shri M.P Eshwar	Total Amount
		CMD till 25.06.2019	
1	Gross salary	3,51,874.00	3,51,874.00
(a)	Salary as per provisions contained in Sec.17 (1) of the Income Tax. 1961.		
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961		
(c)	Profits in lieu of salary u/s section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission as % of profit or others (specify)		
	Total (A)	3,51,874.00	3,51,874.00
	Ceiling as per the Act	NA	NA

B. Remuneration to other Directors :

(Amount in ₹)

S No	Particulars of Remuneration	Name of the Directors	
		Shri Yogesh Gautam	Prof. (Dr.) Ram Naresh Singh
1	Independent Directors		
(a)	Fee for attending board committee meetings	6400	2400
(b)	Commission as % of profit or others (specify)	Nil	Nil
(c)	Others, please specify	Nil	Nil
	Total (1)	6400+2400=8800	
2	Other Non Executive Directors		
		Shri AM Manichan	Smt. Parveen Gupta
(a)	Fee for attending board committee meetings	Nil	Nil
(b)	Commission as % of profit or others (specify)	Nil	Nil
(c)	Others, please specify.	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	8,800	
	Total Managerial Remuneration	8,800	
	Overall Ceiling as per the Act.	NA	NA

c. Remuneration Of Key Managerial Personnel Other Than Md/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	
1	Gross Salary	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Nil
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission as % of profit or others (specify)	Nil
5	Others, please specify	Nil
	Total	Nil



VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			----- Nil -----		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			----- Nil -----		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			----- Nil -----		
Punishment					
Compounding					



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2018-19

(Pursuant to Department of Public Enterprises Guidelines)

IL has established a sound framework of Corporate Governance, which underlines commitment to quality of governance, transparency in disclosures and consistent stakeholders' value enhancement. Corporate Governance is a combination of voluntary practices and compliance with laws and regulations, leading to effective control and management of the Company. It is the strong belief of Company that the good corporate governance ensures that the corporate actions balance the interest of all stakeholders and satisfy the tests of accountability, transparency, and fair play. The Company believes that all its operations and actions must be directed towards enhancing overall stakeholder value. We will continue to focus our resources, strengths, strategies to achieve this purpose.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the Management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

With commitment to practice sound governance principles, your Company is guided by the following core principles.

- Proactive flow of information to the members of the Board and its Board.
- Committees to enable effective discharge of fiduciary duties;
- To comply with all the applicable laws, rules and regulations;

- Ethical business conduct by the Board, Management and employees; and
- Robust systems and processes for internal control.

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision and mission – To be pioneer in control valves, actuators, butterfly valves & below sealed valves and Committed to total customer satisfaction by identifying and fulfilling their specific needs, translating them into quality products, providing dependable after sales service and to work for continual improvement of Quality Management System by developing/marketing quality products.

BOARDS AND COMMITTEES:

a) Board of Directors:

As on 31st March, 2019, the Board of Directors consists of Five Directors including two non-official Independent directors. During the financial year ended 31st March, 2019, Five Board Meetings were held on 30.05.2018, 27.11.2018, 1.12.2018, 31.12.2018, 11.01.2019 & 25.03.2019 as against minimum requirement of four meetings.

The details of composition of the Board as at 31.03.2019, the attendance record of the Directors at the Board Meeting held during the financial year 2018-19 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given here below:-



Name of Director	Category	No. of Board Meetings Held	No. of Board Meetings attended by the Director	Attendance at the previous Annual General Meeting held on 31.12.18	No. of Other Director-ship	No. of membership of other Board Committees	No. of other Committees Of which the Director is a Chairperson
Shri MP Eshwar	Chairman and Managing Director and Additional Charge of Director (Finance) (from 01.12.2017)	1	1	NA	Nil	Nil	Nil
Shri R. Gopala Rao	MD, HNL and Additional Charge of Chairman of Managing Director of IL (up to 11.06.2020)	5	5	Present	1	Nil	Nil
Shri A.M Manichan	Director (Govt. Nominee)	6	6	Present	3	Nil	Nil
Smt Parveen Gupta	Director (Govt. Nominee) (From 27.12.2017)	6	5	Present	4	Nil	Nil
Shri Yogesh Gautam	Independent Director	6	5	Present	3	Nil	Nil
Prof. (Dr.) Ram Naresh Singh	Independent Director	6	2	No	Nil	Nil	Nil

b) Board Procedure:

The Board generally meets once in a quarter to review the quarterly business and financial performance of the Company. Additional meetings are held, when necessary. These Meetings are scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial / business plans, financial results etc., the same are tabled at the meeting.

The agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases; the same is tabled at the meeting. The Minutes of the Board Meetings are also circulated in advance to all Directors and confirmed at subsequent Meeting. The Board reviews the performance of the Company every quarter vis-à-vis the targets set by them and helps in the major strategic decisions and policy formulations. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion in consultation with the Chairman.

c) Board's Responsibilities:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE OVERVIEW:

Our Company, Instrumentation Limited (ILK) having its Registered Office & Headquarters at Kota, Rajasthan was established with a manufacturing Unit at Kota (Raj) in 1964 as a fully Government owned CPSE to cater to the growing Control & Instrumentation (C & I) needs of Core Industrial sectors viz. Power, Steel, Oil Refinery etc. and for achieving self reliance in this field.

Other manufacturing Unit at Palakkad, Kerala was established in 1974 for self reliance in flow control & measurement elements such as Control Valves, Butterfly Valves, Power Cylinders/ Actuators, Orifice Plate, Flow Nozzles etc.

On 30.11.2016 the Union Cabinet approved closure of Kota Unit and in principle approval for transfer of Palakkad Unit to Govt. of Kerala.

Accordingly, Operations of Kota Unit (comprising of Kota Unit, Marketing Unit, P-DDC Unit and Head Quarter) have been closed w.e.f. 01.04.2017 and all the employees have been relived on VRS/VSS w.e.f 18.04.2017.

Palakkad Unit of IL, which is accredited with ISO 9001:2008, ISO 14001:2015 and OHSAS 18001:2007 Certification is operational and in process of transfer to GOK as 'on going concern'. The process of transfer of Palakkad Unit is in advance stage with DHI and Govt. of Kerala.

MISSION, VISION AND OBJECTIVE

In view of decision of the Union Cabinet on 30.11.2016 for closure of Kota Unit and in principle approval of transfer of Palakkad Unit to Govt. of Kerala, Kota unit is not in operation and all the activities are closed and transfer of Palakkad Unit of IL to Government of Kerala is under process.



ANNEXURE-III

Replies to the observations made by the Statutory Auditors in their report dated 22.01.2020 on the accounts of the Company for the year 2018-19: -

On Stand-alone Financial Statements:

1. Observation at S. No. (i) to (viii) & (x):

Regarding Statutory Auditor's observation number (i) to (viii) of the Report, Note no. (19.1, 19.3, 19.4, 19.5 & 19.6), (17.6) (17.3), (17.4), (12.7), (32.3), (26.2) and (32.k) respectively forming part of accounts are self explanatory.

2. Observation at S. No. (ix) :

Fixed assets of Kota Complex comprising immovable assets and movable assets are under the process of sale of through M/s NBCC and M/s MSTC, as per DPE guidelines for closure. As per valuation of the assets, realizable/ market value is more than the book value of assets of Kota Complex as on 31.03.2019. Accordingly, adjustment for gains on sale of assets shall be made in the year of sale.

Annexure-A to the Report:

3. Observation at S. No. 2(b) :

Regarding Statutory Auditor's observation number 2(b) and 8 of Annexure-A to the Report, Note No. (17.6) forming part of accounts is self explanatory.

R Gopal Rao

Chairman and Managing Director



ANNEXURE-IV

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA U/S 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF
INSTRUMENTATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

The preparation of financial statements of **INSTRUMENTATION LIMITED** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 January 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **INSTRUMENTATION LIMITED** for the year ended 31 March 2019 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors report under section 143(6)(b) of the Act.

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

**(Prachi Pandey)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
New Delhi.**

Place : New Delhi

Dated : 13 March 2020



गोपनीय

संख्या / No. PDCR/ND/CH&A | 27-28 | 2019-20 | 920

भारतीय लेखापरीक्षा और लेखा विभाग,
कार्यालय प्रधान निदेशक, वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-1, नई दिल्ली
INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-1, New Delhi

दिनांक / Dated 13/3/2020

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
इन्स्ट्रुमेंटेशन लिमिटेड
मुख्य कार्यालय कोटा-324005
राजस्थान

विषय: 31 मार्च 2019 को समाप्त वर्ष हेतु इन्स्ट्रुमेंटेशन लिमिटेड के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं इस पत्र के साथ 31 मार्च 2019 को समाप्त वर्ष के लिए इन्स्ट्रुमेंटेशन लिमिटेड के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की 'शून्य टिप्पणियाँ' अग्रोषित करती हूँ। इन शून्य टिप्पणियों को कम्पनी की वार्षिक आमसभा में उसी प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षकों की लेखा परीक्षा रिपोर्ट रसी जाती है।

संलग्न: शून्य टिप्पणियाँ

भवदीया,

13/3/2020
(प्राची पाण्डेय)
प्रधान निदेशक

तृतीय तल, ए-स्कन्ध, इन्द्रप्रस्थ भवन, इन्द्रप्रस्थ एस्टेट, नई दिल्ली-110002
3rd Floor, A-Wing, Indraprastha Bhawan, I. P. Estate, New Delhi-110002
दूरभाष/Tele.: 011-23378473, फैक्स/Fax : 011-23378432, 011-23370871
E-mail : mabnewdelhi1@cag.gov.in



INDEPENDENT AUDITORS' REPORT

To
The Members of
Instrumentation Limited

Report on the Financial Statements Qualified/Advance Opinion

We have audited the standalone financial statements of INSTRUMENTATION LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditor of the Company's branch located at Palakkad.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified opinion/Adverse opinion of our report, the aforesaid standalone 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, 2019, and profit and its cash flows for the year ended on that date.

Basis of Qualified/ Adverse Opinion

- (i) With reference to note no. 19.1, 19.3, 19.4, 19.5 and 19.6 of notes on accounts regarding balances shown under Sundry Debtors, Retention Money, Claims & Other amounts recoverable, Advances Recoverable and Other debits/credits amounting of Rs.84,33,93,377/- in so far at these have since not being confirmed, realized, discharge or adjusted are subject to reconciliation and in the absence of confirmation/reconciliation thereof, we are not in a position to comment on their genuineness or otherwise. The exact financial impact on the financial statements of the Company could not be ascertained. However some amount of Rs.3,45,91,358/- and Rs.21,20,72,503/- which is due from Punjab State Power Corporation Ltd and UHBVN respectively are doubtful for recovery due to cancellation of order by Punjab State Power Corporation Ltd and UHBVN for which no provision is made by the company in the books, as a result loss is understated by Rs.24,66,63,861/- & receivables is overstated by Rs.24,66,63,861/-.
- (ii) With reference to note no. 17.6 regarding shortage of inventory which was still not reconciled amounting of Rs.45,50,000/- at Palakkad unit which has not been provided in the accounts, thereby the loss is understated by Rs. 45,50,000/- and inventory is overstated by Rs. 45,50,000/-.
- (iii) With reference to note no. 17.3 regarding valuation of finished goods where the realizable value of some items is taken on the basis of old work orders received by the company instead of taking it at current market value which is not in conformity of Accounting Standard -2 issued by Institute of Chartered

Accountants of India. The exact financial impact on the financial statement of the company could not be ascertained

- (iv) With reference to note no. 17.4 regarding valuation of stock of Raw Material, stores and spare parts, bought out components, manufactured components, Loose Tools and implements in stock, the same are valued at Cost. However there is no suitable evidence with the company to show that goods manufactured from these items will be sold at or above cost. This is not as per Accounting Standard -2 issued by Institute of Chartered Accountants of India. The exact financial impact on the financial statements of the Company could not be ascertained.
- (v) Several accounts under the Sundry Creditors, Advances from customers, Other liabilities, Deposit from Customers, Suppliers and Others and Provisions in so far as these have since not been confirmed, paid, discharged or adjusted, in the absence of confirmation / reconciliation thereof, we are not in a position to comment on their genuineness or otherwise. The exact financial impact on the financial statements of Company could not be ascertained. The adequacy of write back of income could not be determined in absence of confirmation from and/or reconciliation / adjustment with related parties. Hence financial statement may be affected in case of any variation thereof.
- (vi) Refer note no. 12.7 of notes on accounts regarding non-execution of title deed of Building of Rs.63,42,352/-.
- (vii) With reference to note no. 32.3, the Company is not presenting the segment information as required by Accounting Standard -17 'Segment Reporting' issued by the Institute of Chartered Accountants of India.
- (viii) Inventory includes stocks which are slow/ nonmoving, obsolete, damaged & unusable items. As refer note no. 26.2 reduction of Rs.3,23,336/- has been made by the company for inventory obsolescence, nonmoving and slow moving on estimated basis. However, the adequacy of the same cannot be ascertained and therefore, the exact financial impact on the financial statements of the Company could not be ascertained.
- (ix) With reference to note no. 1of financial statements, the financial statements have been prepared on the basis of a 'going concern' for Palakkad Unit and 'not on going Concern' basis for Kota Complex. Accordingly fixed assets of Kota Complex have to be shown on realizable value, which is not shown by company. As there are huge fixed assets hence realizable value is not ascertained and therefore, the exact financial impact on the financial statements of the company could not be ascertained.
- (x) There are cases pending in respect of ex-employees and labour unions before various authorities against the company. The liability in respect of this not quantified and not recognized as contingent liability.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Emphasis of Matters

We draw attention to the following Notes:

- (i) With reference to note no. 10 of financial statements which mention that the Ministry of Heavy Industry & Public Enterprises, Govt, of India vide its letter dated 08.12.2016 intimated the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (comprising Corporate Head Quarter, Kota Unit, P-DDC Unit and Marketing Unit viz Kota Complex) and in principle approval for transfer of Palakkad Unit of instrumentation Limited to Government of Kerala in a time bound manner as per DPE Guideline dated 07.09.2016 of closure and accordingly board of directors of company in board meeting held on 16.12.2016 also passed resolutions for closure. Accordingly, the financial statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' for



- Palakkad Unit on a 'no on going Concern' basis for Kota Complex.
- (ii) With reference to note no. 12 we have verified title deed for lease hold land and buildings from photocopy of deeds, as per management original copies are held with banks hence could not be made available for verification. Title deeds of flat at Bombay is not verified as it was not available for verification amounting to Rs.6.33 Lacs and title deed of Building amounting of Rs. 63,42,352/- is not available as it has not been executed till date as refer to note no. 12.7.
 - (iii) With reference to note no. 32 Contingent Liability, which describes the uncertainty related to the outcome of the lawsuits and demands raised against the company by various parties and Government authorities.
 - (iv) With reference to note no. 5.3 outstanding loan with interest from Govt, of Rajasthan is waived off by Govt, of Rajasthan amounting of Rs.13,61,768,000/ Th,s amount is shown as exceptional item in note no. 32.6.
 - (v) With reference to note no. 1 significant accounting policies it is mentioned that financial statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' for Palakkad unit and 'no on going concern' basis for Kota complex. Company failed to mention that accounts of Kota complex has been prepared on realizable basis, except point no. (.x) of Basis for Qualified/Adverse opinion paragraph of this report, and accounts of Palakkad unit are maintained on accrual basis.

Our opinion is not modified in respect of this matter.

Other Matter

we did not audit the financial statements/ information of Palakkad branch included in the standalone financial statements of the company whose financial statements / financial information reflect total assets of Rs. 1,18,09,86,713/- as at 31st March 2019 and the total revenue of Rs. 76,90,04,343/- for the year ended on that date, as considered in the standalone financial statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of branches is based solely on the report of such branch auditor. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. AS required under section 143(5) of the Companies Act, 2013, we give in the "Annexure B", a statement on the Directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns received from the branches not visited by us.
 - e) In our opinion, except the effects of the matter described in the basis for qualified opinion paragraph, 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.
 - f) In our opinion and to the best of our information and according to the explanations given to us, we have no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company.
 - g) The going concern matter describe in (i) of Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - h) Being a Government Company, pursuant to the Notification Ref No. GSR 463(E) dated 05th June 2015 issued by Government of India, provisions of section 164(2) of the Act are not applicable to the Company.
 - i) 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 C".
 - j) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 19 to the financial statements;
 - iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For G.R.Gupta & Company
Chartered Accountants
Firm Registration No. :006201C

(CA. Abhishek Mittal)
Partner
(Membership No.: 404848)

Place: Camp, New Delhi
Date: 22nd Jan., 2020



Annexure-A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Instrumentation Limited ("Company") for the year ended March 31, 2019:

1) In respect of Fixed Assets:

- The Company generally has maintained proper records showing full particulars, including quantitative details. Further certain details as regard to situation of fixed assets and area of leasehold land also need to be updated in fixed asset register.
- As explained to us, all fixed Assets have been physically verified by the management in a phased manner, which in our opinion is reasonable having regard to the size of the company and nature of its business. No material discrepancies were noticed on such physical verification.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company and on the basis of photocopies of lease deed, as per management original copies are held with banks hence could not be made available for verification, lease deed of lands have been verified by us and same are held in the name of company. As regard to title deed / lease deed of other immovable properties are concerned we have verified the same from photocopies of deeds, as original copies are not made available to us, except Building value of ₹ 63,42,352/- refer note no. 12.6 title deed of which yet to be executed and flats at Bombay value of ₹ 6.33 lacs deed of which not made available for verification.

2) In respect of Inventories

- It has informed to us that the management has conducted the physical verification of inventory in a phased manner and looking to the size of company and nature of business the procedure and frequency are reasonable and adequate.
- There are material discrepancies were notice on physical verification of inventory :
Internal Auditors of Palakkad Unit have carried out physical verification of inventory as on 31.12.2016 and shortage of items of different categories of inventory amounting to Rs. 304.41 Lakhs was reported. Out of this inventory amounting to Rs. 45.50 lakh still to be reconciled.
- The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company.
- 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 Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- The Company has not accepted any deposits from the public.
- As informed to us, the cost records related to Palakkad unit as specified by the Central Government under Section 148(1) of the Companies Act, 2013 have been properly maintained in respect of the activities carried on by the company. As there is no manufacturing activity carried in kota complex there is no such records are maintained.
- In respect of Statutory Dues
 - According to information and explanations given to us and on the basis of our examination of the books of account and records the Company has not been regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Sales tax, Service Tax, Value added Tax and any other

statutory dues with the appropriate authorities during the year. According to the information and explanations given to us undisputed amount payable in respect of the aforesaid dues outstanding as at 31 March 2018 for a period more than six months from the date of becoming payable are as under:

S. No.	Name of Statutory Dues	Amount (₹)
1	VAT & CST (Net of Inputs)	6,22,020.02
2	Service Tax (Net of Input Credit)	70,36,043.55
3	Income Tax (TDS)	16,54,721.00
4	Custom Duty	11,48,401.93
5	PF & Professional Tax	29,444.00
	Total	1,04,90,630.50

- According to the information and explanation given to us, there are disputed statutory dues aggregating of ₹ 10,13,33,481/-. Details are enclosed as Annexure -A.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and Government during the period.
- Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments.
- Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- As explained to us section 197 of Companies Act 2013 is not applicable to the company being a Government company.
- In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **G.R.Gupta & Company**
Chartered Accountants
Firm Registration No.:006201C

(**CA. Abhishek Mittal**)
Partner
(Membership No.: 404848)

Place: Camp, New Delhi
Date: 22nd Jan., 2020



Annexure A- Details of Disputed Statutory dues

Year	Amount	Amount	Amount	Total	Particulars
	CST/ UP VAT	K.G.S.T.	RVAT		
2009-10	6,856,312			6,856,312	Pending for appeal with Dy. Commissioner, Comm.
2010-11	6,342,993			6,342,993	II Appeal pending with Karboard Ajmer
2011-12	5,520,102			5,520,102	II Appeal pending with Karboard Ajmer
2012-13	3,727,856			3,727,856	II Appeal pending with Karboard Ajmer
2012-13	1,695,815			1,695,815	DC(Appeals), Deptt of Commercial Taxes, Palakkad.
2013-14	2,359,307			2,359,307	DC(Appeals), Deptt of Commercial Taxes, Palakkad.
2014-15	5,255,494			5,255,494	DC(Appeals), Deptt of Commercial Taxes, Palakkad.
2015-16	5,097,830			5,097,830	DC(Appeals), Deptt of Commercial Taxes, Palakkad.
2016-17	6,311,223			6,311,223	DC(Appeals), Deptt of Commercial Taxes, Palakkad.
TOTAL	43,166,932	0	0	43,166,932	
	Excise Duty	Service tax	Custom Duty		
1992-93	-	-	1,459,824	1,459,824	Collector (A) Mumbai
1993-94	-	-	716,953	716,953	Collector (A) Mumbai
1994-95	-	-	12,770,590	12,770,590	Collector (A) Mumbai & CESTAT(A), Mumbai
2004-05	-	-	4,220,000	4,220,000	CESTAT(A) Mumbai
2003-04 to 2006-07	-	4,751,000	-	4,751,000	Pending with CESTAT, New Delhi
2006-07	-	7,643,892	-	7,643,892	Pending with CESTAT
2007-08	-	137,766	-	137,766	Pending with CESTAT (Appeals), Jaipur
2009-10	-	26,466,524	-	26,466,524	Pending with CESTAT, Delhi
TOTAL	-	38,999,182	19,167,367	58,166,549	
Grand Total	43,166,932	38,999,182	19,167,367	101,333,481	

"Annexure B" to the Independent Auditors Report

Referred to in Paragraph 2 of "Other Legal and Regulatory requirements" of our Audit Report

Sl. No.	Details \ Directions	Auditor's Reply	Action taken and Impact on Accounts and Financial Statements
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has system in place to process all the accounting transactions through IT system. According to the information and explanations given to us there is no accounting transactions are processed outside IT system.	No impact on financial statements.
2	Whether there is any restructuring of any existing loan or cases of waiver/wrhe off of debts/loan/interst etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanations given to us, there is no cases of restructuring of an existing loan or cases of waiver/write off the debts/loans/interst etc made by a lender to the company. However Government of Rajasthan vide letter dated 05.06.2018 waived off its outstanding loan with interest of Rs. 1.36,17,68,000/-.	Amount of Rs. 1,36,17,68,000/- is shown as exceptional item in profit and loss account and due to this company's profit is increased
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for/utilized as per its term and condition? List the cases of deviation.	According to the information and explanations given to us, no funds were received/receivable for specific scheme from Central/State agencies during the financial year 2018-19.	No impact on financial statements.

For G.R.Gupta & Company
Chartered Accountants
Firm Registration No. :006201C

(CA. Abhishek Mittal)
Partner
(Membership No.: 404848)

Place: Camp, New Delhi
Date: 22 January 2020



Annexure C to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Instrumentation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date in which are included the Returns for the year ended on that date audited by the branch auditor of the Company's branch located at Palakkad.

Management's Responsibility for internal Financial Controls

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

Auditor's Responsibility

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

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

fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For G.R.Gupta & Company,
Chartered Accountants
(FRN -006201C)**

**(C.A. Abhishek Mittal)
Partner**

Place: Camp, New Delhi

Date: 22 Jan. 2020

M.No. 404848



BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No.	As at 31-3-2019		As at 31-3-2018	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2	240,453,000		240,453,000	
(b) Reserves & Surplus	3	(6,062,854,081)		(7,071,238,274)	
(c) Money received against share warrants		-		-	
			(5,822,401,081)		(6,830,785,274)
2. Share Application Money Pending Allotment					
	4		-		1,220,096,000
3. Non-Current Liabilities					
(a) Long Term Borrowings	5	-		-	
(b) Deferred Tax Liability (Net)	6	-		-	
(c) Other Long Term Liabilities	7	136,038,977		125,746,081	
(d) Long Term Provisions		-		-	
			136,038,977		125,746,081
4. Current Liabilities					
(a) Short Term Borrowings	8	19,620,645		12,840,188	
(b) Trade Payables	9	335,218,880		341,701,072	
(c) Other Current Liabilities	10	7,579,737,928		7,739,619,113	
(d) Short Term Provisions	11	-		-	
			7,934,577,453		8,094,160,365
			<u>2,248,215,349</u>		<u>2,609,217,172</u>
ASSETS					
1. Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	12	114,815,410		119,874,154	
(ii) Intangible Assets	12	549,809		1,045,317	
(iii) Capital Work in Progress	12	6,122,494		21,408,920	
(iv) Intangible Assets under Development		-		-	
		121,487,713		142,328,391	
(b) Non-Current Investments	13	-		-	
(c) Long Term Loans and Advances	14	127,421,359		131,442,180	
(d) Deferred Tax Assets (Net)	6	-		-	
(e) Other Non-Current Assets	15	7,334,806		6,857,631	
			256,243,878		280,628,202
2. Current Assets					
(a) Current Investments	16	90,000		90,000	
(b) Inventories	17	339,437,930		339,392,971	
(c) System Work (At Sites)	18	-		-	
(d) Trade Receivables	19	843,393,377		1,291,477,861	
(e) Cash and Bank Balances	20	637,769,099		543,487,995	
(f) Short Term Loans and Advances	21	35,712,114		27,242,514	
(g) Other Current Assets	22	135,568,951		126,897,629	
			1,991,971,471		2,328,588,970
			<u>2,248,215,349</u>		<u>2,609,217,172</u>
Total					

Significant Accounting Policies and 1 to 32 Note form integral part of these Financial Statements

For and on behalf of the Board

Rupa Singh Bisht

A.M. Manichan

R.Gopala Rao

Company Secretary

Director

Chairman and Managing Director

M.No.46662

DIN No. : 07046352

DIN No. 06970622

In terms of our report of even date attached

For GR Gupta & Co.

Chartered Accountants

F.R.N. 006201C

C.A. Abhishek Mittal

Partner

M.No.404848

UDIN : 2040484AAAAAK4400

Place : Camp, New Delhi

Date : 22nd January, 2020



STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Note No.	2018-2019		2017-2018	
		₹	₹	₹	₹
REVENUE FROM OPERATIONS	23	759,039,534		637,925,559	
Jobs done for internal use	24			-	
Total		759,039,534		637,925,559	
Less :- Excise Duty				6,848,546	
Revenue from Operations (Net)			759,039,534		631,077,013
Other Income	25		80,484,451		56,918,110
Total Revenue			839,523,985		687,995,123
EXPENSES					
Cost of Materials consumed	26		319,616,722		316,323,466
Changes in Inventories of Finished goods & Work-in-process	27		8,412,150		(15,276,356)
Employee benefit expenses	28		202,644,653		241,303,435
Services & Sub-Contracting			84,413,014		77,058,776
Finance Cost	29		2,303,358		31,449,057
Depreciation and Amortisation Exp.	30		14,097,241		17,240,463
Other Expenses	31		97,974,158		176,204,613
Total Expenses			729,461,296		844,303,454
Profit/(Loss) before exceptional and extraordinary items and tax			110,062,689		(156,308,331)
Exceptional items	32.6		(901,337,110)		340,742
Profit/(Loss) before extraordinary items and tax			1,011,399,799		(156,649,073)
Extraordinary items					
Profit/(Loss) before Tax			1,011,399,799		(156,649,073)
Tax Expenses					
Current Tax					
Deferred Tax					
Profit/(Loss) for the year			1,011,399,799		(156,649,073)
Basic & Diluted EPS	32.7	Basic ₹	4206		- 651
(Face value of ₹1000/-each)		Diluted ₹	1035		- 160

Significant Accounting Policies and Notes 1 to 32 Notes form integral part of these Financial Statements

For and on behalf of the Board

Rupa Singh Bisht
Company Secretary
M.No.46662

A.M. Manichan
Director
DIN No. 07046352

R.Gopala Rao
Chairman and Managing Director
DIN No. 06970622

In terms of our report of even date attached
For GR Gupta & Co.
Chartered Accountants
F.R.N. 006201C

C.A. Abhishek Mittal
Partner

M.No.404848

UDIN : 2040484AAAAAK4400

Place : Camp, New Delhi
Date : 22nd January, 2020



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

	2018-2019 ₹	2017-2018 ₹
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary items :-	1,011,399,799	(156,649,073)
Depreciation & amortisation	14,097,241	17,240,463
Loss on sale of fixed assets	-	7,564,923
Profit on transfer of Investment (REIL)	-	-
Provision for doubtful debts	-	-
Provision - others	-	-
Interest Income	(34,132,983)	(8,740,311)
Dividend Income	-	-
Rent and other Revenue	(651,367)	(29,950,342)
Interest Expenses	2,303,358	31,449,057
Operating Profit before working capital changes	993,016,048	(139,085,283)
Adjustment for:-		
Investment	-	-
Trade Receivable	448,084,484	(16,014,991)
Inventory	(44,959)	10,418,527
Loans and Advances and Other Current Assets	20,922,454	65,267,654
Trade payable, Provisions and Other Liabilities	(1,376,166,481)	(2,632,426,057)
Net cash from/(used in) operating activities before Tax & extraordinary items	85,811,546	(2,711,840,150)
Tax	-	-
Net cash from/(used in) operating activities before extraordinary items	85,811,546	(2,711,840,150)
Extra ordinary items	-	-
Net cash from/(used in) operating activities after extraordinary items	85,811,546	(2,711,840,150)
B. Cash flow from investing activities		
Purchase of Fixed Assets	(25,088,991)	(925,055)
Sale of Fixed Assets	28,816,822	36,266,053
Loss on Sale of Fixed Assets	-	(7,564,923)
Investments	-	-
Interest Received	34,132,983	8,740,311
Dividend received	-	-
Rent and other Revenue received	651,367	29,950,342
Net cash from / (used in) investing activities	38,512,181	66,466,728
C. Cash flow from financing activities		
Share application money	-	-
Long term Loan	-	-
Borrowings	6,780,465	(936,199,484)
Interest Paid	(2,303,358)	(31,449,541)
Net cash from / (used in) financing activities	4,477,107	(967,648,541)
D. Net increase in cash & cash equivalent (A+B+C)	128,800,834	(3,613,021,963)
Cash & Cash equivalent at the beginning of the year	439,051,193	4,052,076,156
Cash & Cash equivalent at the end of the year (Refer Note No.20)	567,855,027	439,054,193

Note:- 1. Cash Flow Statement has been prepared as per AS-3.

2. Cash & Cash Equivalents consists of cash and bank balance & deposits with banks.

Notes on Financial Statements for the year ended 31st March, 2019

Note:1. SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The Ministry of Heavy Industry & Public Enterprises, Govt. of India vide its letter dated 08.12.2016 intimated the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (comprising Corporate Head Quarter, Kota Unit, P-DDC Unit and Marketing Unit viz Kota Complex) and in principle approval for transfer of Palakkad Unit of Instrumentation Limited to Government of Kerala in a time bound manner as per DPE Guideline dated 07.09.2016 of closure.

Accordingly, the financial statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' for Palakkad Unit and 'not on going Concern' basis for Kota Complex with revenue recognised and expenses accounted for on accrual system of accounting.

Use of Estimates: The preparation of financial Statements requires estimates and assumption which affected the reported amounts of assets, liabilities, revenues & expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

1. **LAND:** The Company values lease-hold land obtained free of cost at the nominal value of ₹1/-.
2. **FIXED ASSETS:** Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes & levies wherever applicable. All cost relating to acquisition of fixed assets till commissioning of such assets are capitalized.
3. **INVESTMENT:** Investments are classified into current and long term investments. Current investments are stated at lower of cost or market value. Long term investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.
4. **VALUATIONS**
 - 4.1 Raw materials, stores and spare parts are valued at cost or estimated realisable value whichever is lower.
 - 4.2 Bought-out components and manufactured components (including in process) are valued at cost or estimated realisable value whichever is lower. Components purchased/ manufactured against production orders but declared surplus/ obsolete are valued at estimated scrap value. Work-in-process is valued at cost or estimated realisable value whichever is less.
 - 4.3 Loose tools & implements in stock are valued at cost or estimated realisable value whichever is lower. Those in use costing ₹ 5000/- or less each are charged off to revenue while others are written off

over a period of three years.

- 4.4 Finished goods and completing items are valued at cost or estimated realisable value whichever is lower. Excise duty paid stock at Branch /Regional/Site and other outstation places are valued at cost or estimated realisable value whichever is lower.
- 4.5 Cost is ascertained using the Weighted Average method and is the fairest possible approximation to the cost incurred in bringing the inventories to their present location and condition.
- 4.6 System work-in-progress at customer's sites are valued at 95% of the proportionate contract value for work executed based on technical evaluation where work completed more than 20% or more. Where the contracts are under finalisation, the price quoted/under negotiation is considered for such valuation. Necessary adjustments are made in the year of finalisation of the contract.
- 4.7 Scrap is accounted for, to the extent received in Scrap Yard, on estimated realisable value.
5. **TURNOVER**
 - 5.1 Turnover in respect of system-sale contract is ascertained by valuing despatches to the customers/engineering against each contract at the close of the year on proportionate value of such contracts based on technical evaluation at the commencement of the year. Where the contracts are under finalisation, the price quoted/under negotiation is considered for such valuation.
 - 5.2 System work contracts completed/handed over are valued at break-up value of the contracts based on technical evaluation. Turnover in respect of system works contracts in progress is ascertained by valuing such contracts as per Accounting Policy No. 4.6 and reducing there from valuation of work in-progress at the commencement of the year after adjustment of work completed / handed over.
 - 5.3 Retail sales are net of adjustments/returns pertaining to earlier years.
 - 5.4 Sales are set up based on dispatches/ customer acceptance against valid sales contract.

6. DEPRECIATION TANGIBLE ASSET :

- 6.1 Depreciation is provided on Straight-Line Method basis. For Fixed Assets put to use upto 01.04.1987 depreciation was provided at the rate specified in Income Tax Rules and at applicable rates specified in Schedule-XIV of the Companies Act, 1956 for the assets added after 01.04.1987 upto 31.03.2014. With effect from 01.04.2014, the depreciation is provided based on useful life of the assets as per Schedule-II of the Companies Act, 2013.
- 6.2 Lease Hold Land is amortised over a period of lease.
- 6.3 Fixed assets other than Lease Hold Land were depreciated on Straight-Line Method at the rates



computed in terms of Section 205 (2)(b) of the Companies Act, 1956. Fraction of percentage was rounded to the next percent in respect of asset put to use prior to 2.04.1987.

- 6.4 Items of Plant and Machinery costing upto ₹5000/- each are depreciated at 100%. Other assets costing upto ₹ 750/- and put to use prior to 16.12.1993 were depreciated at 100% and those costing upto ₹ 5000/- each and put to use on or after 16.12.1993 are depreciated at 100%.
- 6.5 Asset at work sites were depreciated at higher rates due to higher wear & tear upto 31.03.2014. With effect from 1.04.2014 depreciation based on useful life of assets as per Part-II of the Companies Act, 2013 is provided.
- 6.6 Residual value in respect of assets capitalized is taken @ of 5% w.e.f. 01.4.2014 except for sl.no. 6.2 & 6.4 above.

INTANGIBLE ASSET :

- 6.7 The cost of technical knowhow and documents acquired for new production are capitalized and the same are depreciated over a period of five years based on useful life of assets as per part-II of companies Act, 2013 from the day these are put to use.
- 6.8 Cost of software and documents acquired for other performances are capitalized and the same are depreciated over a period of five years based on useful life of assets as per part-II of companies Act, 2013 from the day these are put to use.
- 6.9 Residual value in respect of cost of technical knowhow, documents and softwares is considered as Nil.

7. **CONTRACTUAL OBLIGATION:** Provision for contractual obligation in respect of completed/ handed over contracts under warranty and executed portion of each system sale contract is kept at 5% of the value excluding excise duty.

The same is written back after fulfilment of contractual obligations. The expenses incurred against contractual obligations including short supplies, replacement, rejections are charged to natural heads of accounts in the year of occurrence.

8. PROVISIONS, CONTINGENT LIABILITIES &

CONTINGENT ASSETS: A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and reliable estimates of amount of the obligation can be made. Provisions are determined based on management estimate require to settle the

obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

9. **IMPAIRMENT OF ASSETS :** The carrying amounts of assets are reviewed at each Balance Sheet date. In case there is any indication of impairment based on Internal / External factors, an Impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

10. **LIQUIDATED DAMAGES:** Price Reduction Schedule, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management.

11. **CASH FLOW STATEMENT:** Cash Flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard AS-3 on "Cash Flow Statement".

12. OTHERS:-

- 12.1 **GRATUITY :** The Company contributes an amount equal to the premium for the Cash Accumulation Policy taken with Life Insurance Corporation of India, to Gratuity Trust, for onward payments to the Life Insurance Corporation.

- 12.2 **EARNED LEAVE :** The Company has taken Cash Accumulation Policy from Life Insurance Corporation of India, in accordance with actuarial valuation for encashment of leaves by the employees on retirement or death.

- 12.3 **RESEARCH AND DEVELOPMENT:** All expenditure incurred on Research and Development except on acquisition of fixed assets is charged to revenue.

- 12.4 **TRANSLATION OF FOREIGN CURRENCY ACCOUNTS:** Accounts of overseas Branch in foreign currency are converted for incorporation in annual accounts at the following rates:

- i) Items of income and expenditure are translated at the average rate except depreciation which is converted at the rate adopted for the fixed assets.
- ii) Assets and Liabilities are translated at the closing rate.
- iii) Translation variations, if debit, are adjusted to reserve/revenue.

- 12.5 **EXCHANGE RATE :** Liability for deferred payments and receivable in foreign currency is accounted for at the exchange rate prevailing at the close of the year except in the case of forward exchange contracts / ascertained liability.



Notes on Financial Statements for the year ended 31st March, 2019

2 SHARE CAPITAL

Particulars	As at 31-3-2019	As at 31-3-2018
	₹	₹
AUTHORISED		
2,50,000 Equity Shares (Previous year 2,50,000) of ₹ 1,000/- each	<u>250,000,000</u>	<u>250,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP		
2,40,453 Equity Shares (Previous year 2,40,453) of ₹ 1,000/- each	<u>240,453,000</u>	<u>240,453,000</u>

2.1 Details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31-3-2019		As at 31-3-2018	
	No. of Shares	% held	No. of Shares	% held
President of India	240,450	100	240,450	100

2.2 The reconciliation of the number of shares outstanding is set out below :-

Particulars	As at 31-3-2018	As at 31-3-2017
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	240,453	240,453
Add : Issued during the year	-	-
Less : Cancelled during the year	-	-
Equity Shares at the end of the year	<u>240,453</u>	<u>240,453</u>

2.3 Aggregate number of shares issued for consideration other than cash :

Particulars	As at 31-3-2019	As at 31-3-2018
	No. of Shares	No. of Shares
Equity Shares	753	753

3 RESERVES & SURPLUS

Particulars	As at 31.03.2019	As at 31-3-2018
Capital Reserves		
As per last Financial Statement	10,142,031	10,142,031
Statement of Profit & Loss		
As per last Balance Sheet	(7,081,380,305)	(6,917,614,790)
Add : Profit /(Loss) for the year	1,011,399,799	(156,649,073)
Add: Adjustment relating to Fixed Assets	<u>(3,015,606)</u>	<u>7,116,442</u>
Closing Balance	<u>(6,072,996,112)</u>	<u>(7,081,380,305)</u>
Less: Miscellaneous Exps. (to the extent not written off)		
As per last Balance Sheet	-	-
Add : Expenditure on VRS during year.	-	-
	-	-
Less : Amortisation during the year	-	-
Deferred Revenue Exps. to the extent not written off	-	-
Total	<u>(6,062,854,081)</u>	<u>(7,071,238,274)</u>



Notes on Financial Statements for the year ended 31st March, 2019

4. SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹		₹	
Share application money pending allotment	1,220,096,000		1,220,096,000	
Share application money pending allotment includes :-				
4.1 Amount of Govt. of India Loan of ₹ 25,98,46,000/ (previous year ₹25,98,46,000/) converted into Equity Share Capital awaiting allotment of 2,59,846 (previous year 2,59,846) Equity shares of Rs. 1000/- each.				
4.2 Amount of ₹ 48,36,00,000/- (previous year ₹ 48,36,00,000/-) received by the Company under MRS towards issue of 4,83,600 (previous year 4,83,600) 3.5% Preference Share of Rs. 1000/- each.				
4.3 Amount of 47,66,50,000/- (previous year ₹ 47,66,50,000/-) received by the company from Govt of India for Issue of 4,76,650 (previous year 4,76,650) Equity Shares of Rs. 1000/- each.				
4.4 Share application money pending allotment as at 31.03.2019 of ₹ 122,00,96,000/- shown has under the head of other Current Liabilities (see note no. 10)				

5. LONG TERM BORROWINGS

Particulars	As at 31-3-2019		As at 31-3-2018	
	Non Current ₹	Current ₹	Non Current ₹	Current ₹
Unsecured				
(i) Government of India	-	5,845,700,000	-	5,845,700,000
Interest accrued & due	-	-	-	-
(ii) Government of Rajasthan	-	-	-	1,361,768,000
Total	-	5,845,700,000	-	7,207,468,000

- 5.1 As per decision of the Union Cabinet taken in meeting held on 30.11.2016 as informed by Deptt. of Heavy Industry, Ministry of Heavy Industry and Public Enterprises, Govt of India vide letter No. 5(1)/2016-PE-VIII dated 08.12.2016 Kota Unit (Kota Complex) of 1L is to be closed and in principle approval of transfer of Palakkad Unit of IL to Govt of Kerala. IL has received funds of ₹ 584,57,00,000/- as a interest free loan which shall be converted into equity later, for meeting liabilities on closure of Kota unit.
- 5.2 As per decision of the Union Cabinet taken in meeting held on 30.11.2016, Loans from Govt, of Rajasthan is to be repaid/ settled Accordingly, balance of Loan of Govt, of Rajasthan outstanding as on 31.03.2018 has been classified "Current Liabilities"
- 5.3 As per decision of the Union Cabinet taken in meeting held on 30.11.2016, Loans from Govt, of Rajasthan is to be negotiated/ settled. In this regard, Company has been received a approval of Govt, of Rajasthan vide letter No. P. 15(22) Industry//1993/part dated 05.06.2018 issued from Deptt. of Industry (Group-1). Govt, of Rajasthan for conveying cabinet approved No. 86/2018 of Govt of Rajasthan in respect of waived off outstanding Loan with interest upto 31.03.2018. Accordingly, Loan of Govt, of Rajasthan outstanding as on 31.03.2018 has been waived off (see exceptional item note no. 32.6).

6. Deferred Tax Liability/Assets (Net)

In view of losses incurred by the Company, the net deferred tax assets as on 31st March, 2019 (being un-absorbed business losses and unabsorbed depreciation) are not recognized in the accounts under review in terms of AS 22, in absence of virtual certainty of sufficient future taxable income.

7. OTHER LONG TERM LIABILITIES

Particulars	As at 31-3-2019		As at 31-3-2018	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
Deposits from contractors, Suppliers & others	-	3,367,293	-	3,001,481
Employees Benefits	-	132,671,684	-	122,744,600
	-	136,038,977	-	125,746,081



Notes on Financial Statements for the year ended 31st March, 2019

8. SHORT TERM BORROWINGS SECURED

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
From Banks				
Cash Credit A/c	19,620,645	-	12,840,180	-
Interest accrued & due	-	-	-	-
Total	<u>19,620,645</u>	<u>-</u>	<u>12,840,180</u>	<u>-</u>

8.1 Nature of Security

Secured by way of hypothecation of tangible movable current assets of the Company viz. raw material, stock in goods, consumable stores, tools and implements, work in progress at customer sites & receivables etc.

8.2 As per approval of Union Cabinet for funding of closure of Kota Complex, dues of Consortium of Banks except State Bank India (the then State Bank of Travencore providing financial facilities to Palakkad Unit of IL) has been settled and paid under OTS in July 2017.

9. TRADE PAYABLES

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
Trade payables :-				
- Dues to Micro & Small Enterprises	18,285,490		11,101,538	
- Dues to Other than Micro & Small Enterprises	<u>316,933,390</u>	<u>335,218,880</u>	<u>330,599,534</u>	<u>341,701,072</u>
Acceptances		-		-
Total Trade Payable		<u>335,218,880</u>		<u>341,701,072</u>

9.1 (a) The Company owes dues to Micro and Small enterprises to whom outstanding for more than 45 days as on 31st March, 2019 is ₹ 1,82,85,490/- (previous year ₹ 1,11,01,538/-). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(b) Disclosure in accordance with Section 22 of the Act read with Notification No. GSR 719(E) dated 16th November 2007 issued by the Ministry of Corporate Affairs:

Particulars	31.03.2019 ₹	31.03.2018 ₹
(a) Principal amount remaining unpaid and interest due thereon	18,285,490	11,101,538
(b) Interest paid in term of Sec. 16		-
(c) Interest due and payable for the period of delay in payment		-
(d) Interest accrued and remaining unpaid		-
(e) Interest due and payable even in the succeeding years		-



Notes on Financial Statements for the year ended 31st March, 2019

10. OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	₹	₹	₹	₹
Current maturities of Long Term Loans (Refer Note No.5)		5,845,700,000		7,207,468,000
Share application money pending allotment (Refer Note No. 4)		1,220,096,000		-
Advance from Customers against:-				
(a) System contracts		-		-
Less: On account payments transferred to work in-progress at site (as per contra)		-		-
(b) Retail Sale		21,080,544		21,240,675
For Expenses	248,170,516		251,367,558	
Others	35,347,229		37,199,593	
Employees Benefits	-	283,517,745	<u>1,000,000</u>	289,657,151
Interest accrued but not due		-		-
Deposits from contractors, Suppliers & others		209,343,639		<u>221,343,287</u>
Total		<u>7,579,737,928</u>		<u>7,739,619,113</u>

10.1 Liability for expenses as on 31.03.2019 includes ₹ 73,93,348/- towards wage revision arrears for the period 01.01.92 to 31.12.1988 to employees of Palakkad Unit.

11. SHORT TERM PROVISIONS

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	₹	₹	₹	₹
- Provision for Contractual obligations		-		-
- Provision for sales tax on works projects		-		-
- Others		-		-
Total		<u>-</u>		<u>-</u>

11.1 Adequate provision in respect of project and products where the Company is under obligation of warranties has been made in the books in accordance with AS-29. Details of provision are as under:-

	Opening Balance as on 01.04.2018 (₹)	Provision made during the year (₹)	Provision Written Back during the year (₹)	Closing Balance as on 31.03.2019 (₹)
Contingencies	-	-	-	-
Sales Tax	-	-	-	-
Others	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes on Financial Statements for the year ended 31st March, 2019

12. FIXED ASSETS

Description	GROSS BLOCK			As at 31.3.2019	DEPRECIATION				Net-Block	
	As at 01.04.2018	Addition during the year	Deduction/ Sales/ write off Adjustment		Accumulated Depreciation upto 1.4.2018	For the year	Deduction/ Sales/ write off Adjustment	Accumulated Depreciation upto 31.3.2019	As at 31.3.2019	As at 31.3.2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	2	3	4	5	6	7	8	9	10	11
TANGIBLE ASSETS										
Lease hold land	4,338,317	-	579,316	3,759,001	4,316,407	40,408	3,255,695	1,101,120	2,645,781	21,910
Roads, Drains & Culverts	4,784,664	-	3,324,177	1,460,487	4,545,432	-	3,157,969	1,387,463	73,024	239,232
Buildings	125,323,676	-	56,583,608	68,740,068	77,684,679	1,761,441	46,219,115	33,227,005	35,513,063	47,638,997
Electric Installations	26,061,774	4,215,819	10,961,376	19,316,147	15,559,941	1,238,346	10,325,974	6,472,879	12,843,268	10,501,763
Drainage, Sewerage & Water Supply	5,012,240	-	4,138,782	873,458	4,529,759	-	3,699,974	829,785	43,673	482,481
Furniture & Fittings	8,498,114	-	2,222,222	6,275,892	8,247,626	3,023	2,222,222	6,028,427	247,465	250,488
Plant & Machinery	180,668,246	20,450,136	2,975,290	198,143,092	125,259,945	9,936,441	(3,065,776)	138,262,162	59,880,930	55,408,301
Other Appliances	36,412,242	413,035	17,657,438	19,167,839	32,606,965	348,338	16,119,840	16,835,463	2,332,376	3,805,277
Transport Equipments	5,628,746	10,001	1,159,005	4,479,742	4,103,041	273,736	1,120,765	3,256,012	1,223,730	1,525,705
Total A	396,727,949	25,088,949	99,601,214	322,215,726	276,853,795	13,601,733	83,055,212	207,400,316	114,815,410	119,874,154
Previous Year	742,505,588	925,055	346,702,694	396,727,949	542,873,198	16,744,954	282,764,357	276,853,795	119,874,154	
INTANGIBLE ASSETS										
Technical know-how	139,239,811	-	116,617,527	22,622,284	139,239,811	-	116,617,527	22,622,284	-	-
Softwares	7,348,067	-	878,550	6,469,517	6,302,750	495,508	878,550	5,919,708	549,809	-
Total B	146,587,878	-	117,496,077	29,091,801	145,542,561	495,508	117,496,077	28,541,992	549,809	-
Previous Year	146,587,878	-	-	146,587,878	145,047,053	495,508	-	145,542,561	1,045,317	-
Total A+B	543,315,827	25,088,991	217,097,291	351,307,527	422,396,356	14,097,241	200,551,289	235,942,308	115,365,219	-
Previous Year	899,093,466	925,055	346,702,694	543,315,827	687,920,251	17,240,462	282,764,357	422,396,356	120,919,471	
Capital work in progress										
Capital work in progress									0	569,780
Capital items in stock									6,122,494	20,839,140
Total C									6,122,494	21,408,920

12.1 The company has acquired 10 Acres of land at RIICO Industrial Area, Sitapura, Jaipur from RIICO Ltd., Jaipur against which it has surrendered 25 Acres of land to RIICO Ltd., at Kota, out of its lease hold land (lease rent ₹ 1/- P. A.) as per approval of Government of Rajasthan, Industries Deptt.'s (Group-1) vide letter No. P04(54)/ Udyog/1/89 dated 2nd March, 1991. The possession of land at Sitapura has been taken on 7.3.91 and possession for land at Kota has been handed over to RIICO Ltd.

Vide Union Cabinet decision for Closing Kota Unit of Instrumentation Limited, the land at Sitapura is also to be handed over to Govt, of Rajasthan. Company has received approval of Govt, of Rajasthan vide letter No. P. 15(22) Industry/ 1/1993/pait dated 05.06.2018 issued from Deptt. of Industry (Group-1). Govt, of Rajasthan for conveying cabinet approved No. 86/2018 of Govt of Rajasthan in respect of handover the lease land at Sitapura, Jaipur to RIICO, Govt of Rajasthan.

12.2 Vide Administer Ministry, Ministry of Heavy Industries & Public Enterprises, Deptt. of Heavy Industry letter No. 6(1)/2014-PE VIII dated 23.08.2018 conveyed to handover (1) 181.883 acres land at Kota with the built up structure free of all encumbrances to the Govt, of Rajasthan. (2) 10.59 acres land (inclusive of 0.59 acre of freehold land) at Sitapura Industrial Area Jaipur to RIICO. Accordingly, Lease land 10.59 acres (inclusive of 0.59 acre of freehold land) at Sitapura Industrial Area Jaipur hand over to RIICO, Govt of Rajasthan on 28.08.2018 and 181.883 acres land at Kota with the built up structure free of all encumbrances handover to Tehsildhar, Lادpur, Kota, Govt, of Rajasthan.

12.3 As per the decision of the closure of Kota Unit of IL by Union Cabinet dated 31.01.2016, movable assets are disposed off through MSTC as per DPE guidelines on closure issued dsated 07.09.2016 and revised on 14.06.2018. The Movable Assets at Delhi, Vadodara, Mumbai & Jaipur owned by the Company are also disposed through Land Management Assets agency (LMA) i.e. M/s NBCC with the Administer Ministry, Ministry of Heavy Industries & Public Enterprises, Deptt. of Heavy Industry and according to DPE guidelines on closure.

12.4 The company has acquired assets worth 72.17 lakhs of Rajasthan Electronics Ltd., Jaipur (a wholly owned subsidiary company of RIICO Ltd.) through RIICO Ltd., against surrender of 103 Acres of land to RIICO Ltd. out of its lease hold land at Kota (lease rent ₹ 1/- p.a.) as per Govt, of Rajasthan approval vide letter No.F(4)3/1/92 dated 29.1.92.

12.5 The company has surrendered 80.50 Acres of its leasehold surplus land of its township at Kota in 2002-03 and 9.50



Notes on Financial Statements for the year ended 31st March, 2019

Acres of surplus land in factory area in 2010-11 to Govt, of Rajasthan to generate fund as per Sanctioned Revival Scheme. The Company has received total amount of ₹ 145.81 Crores upto 31.03.2018 from Govt, of Rajasthan as loan. As per decision of the Union Cabinet taken in meeting held on 30.11.2016, Loans from Govt, of Rajasthan is to be negotiated/ settled. In this regards, Company has been received a approval of Govt, of Rajasthan vide letter No. P.15(22) Industry/ 1/1993/part dated 05.06.2018 issued from Deptt. of Industry (Group-1). Govt, of Rajasthan for conveying cabinet approved No. 86/2018 of Govt, of Rajasthan in respect of waived off outstanding Loan with interest upto 31.03 .2018. Accordingly, Loan of Govt, of Rajasthan outstanding as on 31.03.2018 has been

- 12.6 Property located at Sitapur Jaipur, land ₹ 5,79,316/- Building ₹ 71,34,192/- Electric installation ₹ 12,76,320/-, Roads and drainage ₹ 18,46,899/-, Miscellaneous capital items ₹ 8,53,080/- totalling to ₹ 1,16,89,807/- lying in the books. In view of approval of Union Cabinet for closure of Kota Complex, and approval of GOR latter dated 05.06.2018 the land is handover to GOR.
- 12.7 Buildings include ₹ 63,42,352/- for which the Company possess clear title, registration of the same is yet to be executed. However, depreciation at applicable rate has been provided.
- 12.8 Lease Hold Land is amortized in equal installment over a lease period.
- 12.9 Provision for impairment of loss as required under Accounting Standard -28 on impairment of Assets is not necessary as in the opinion of management there is no impairment of the Company's Assets in term of AS-28.
- 12.10 Land at Kota have been allotted by State Govt, of Rajasthan on lease basis for a period of 99 years . The same has been included under the head Lease hold Land. In view of approval of Union Cabinet for closure of Kota Complex and approval of GOR latter dated 05.06.2018 the land is handover to GOR.
- 12.11 Land possessed at Palakkad is acquired and assigned on registry by Government of Kerla to M/s Instrumentation Limited, Kota Rajasthan for establishment of Precision Instrument^ on Project at Pudussery. No lease /Hire purchase agreement was executed in the transfer of land. Vide proceedings No. F3-2018/19231/9/500 dated 10.06.2019. Instrumentation Limited has possessed 48.9320 Heater of land in survey 37/13 Block 35 of Pudussery West Village. The land was allotted by Government of Kerala at free of Cost. Therefore, the land is valued at nominal value Re.1/-.

13. NON-CURRENT INVESTMENTS

Particulars	As at 31-3-2019	As at 31-3-2018
	₹	₹
LONG TERM INVESTMENT		
TRADE at Cost (Unquoted)	-	-
Total	-	-

14. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
(Unsecured, considered good unless otherwise stated)				
Advances against Capital items		6,511,443		9,559,512
Security Deposits				
Deposits:-				
- With Govt. Departments		-		-
- With Others		-		-
Other Loans & Advances				
- Advances recoverable in cash or kind or for value to be recd.				
- Considered good	120,909,916		121,882,668	
- Considered doubtful		-		-
	120,909,916		121,882,668	
Less: Provision		120,909,916		121,882,668
- Balance with Port Trust, Customs, excise etc.		-		-
Total		127,421,359		131,442,180



Notes on Financial Statements for the year ended 31st March, 2019

15. OTHER NON-CURRENT ASSETS

Particulars	As at 31-3-2019 ₹	As at 31-3-2018 ₹
Deposits:-		
- With Govt. Departments	5,455,144	5,258,160
- With Others	1,542,442	1,252,192
Interest accrued on deposits & advances	337,220	346,279
Total	7,334,806	6,857,631

16. CURRENT INVESTMENTS

Particulars	As at 31-3-2019 ₹	As at 31-3-2018 ₹
OTHERS - TRADE AT COST (UNQUOTED)		
350 Equity shares of ₹ 10 each (Previous year Nil) fully paid up in Engineering Projects (India) Ltd.	90,000	90,000
Total	90,000	90,000

- 16.1 In view of approval of Union Cabinet for closure of Kota Complex, the Investment in Equity Shares of Engineering Projects (India) Ltd. has been handed over to Deptt. of Heavy Industries, Govt of India, New Delhi in May 2017, approval of same is awaited.

17. INVENTORIES

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
1. Stores & Spare parts		6,341,296		5,144,229
2. Loose Tools & Implements		7,032,057		7,099,787
3. A. Finished Goods.	57,305,445		49,338,233	
B. Completing Items	-	57,305,445	-	49,338,233
4. Work In Process		48,065,350		62,556,405
5. A. Raw Materials	15,214,621		14,311,038	
B. Boughtout Components	168,267,452		147,440,155	
C. Manufactured Components	51,614,818	235,096,891	53,503,124	215,254,317
Total		353,841,039		339,392,971
Less : Value reduction considered as Exception Item		14,403,109		-
Total		339,437,930		339,392,971

- 17.1 The above Inventory includes goods :-
Lying with others **4,266,324** 5,116,747
- 17.2 Finished Goods inventory as on 31.03.2019 includes Excise Duty ₹ Nil (previous year ₹ Nil).
- 17.3 Estimated realisable value of items amounting to ₹ 99,75,589/- (previous year ₹ 1,08,51,398/-) included in Finished Goods is based on past order received from customers.
- 17.4 Raw materials, Stores & Spare parts, Boughtout components, Manufactured components, Loose tools and Implements in stock which are valued at cost are taken as they would be used for manufacture of goods which are expected to be sold at or above cost.
- 17.5 As a part of closure activity, inventory of Kota Unit has been sold through M/s MSTC under e-auction in September, 2017.
- 17.6 Internal Auditors of Palakkad Unit have carried out physical verification of inventory as on 31.12.2016 and shortage of items of different categories of inventory amounting to ₹ 304.41 Lakhs was reported. Out of the above, items valuing to ₹



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

114 88 Lakhs have been reconciled. On further reconciliation of inventories worth of ₹ 144.03 Lakhs were found consumed in production during earlier years and omitted to account the consumption vouchers, hence a provision of ₹ 144.03 Lakhs has been created in the books of 2018-19 and balance inventory valuing to ₹ 45.50 Lakhs is to be reconciled. As the the number of items of inventory held in Palakkad Unit are huge and stored in different locations, it will take some time for reconciliation/ identification of these items. Pending reconciliation/ identification no adjustment has been made for the above.

18. SYSTEM WORK (at sites) (*)

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
In Progress	-	-	-	-
Less: On account payment from Customers (as per contra)	-	-	-	-
Total	-	-	-	-

(*) For mode of valuation refer Accounting Policy No: 4.6.

19. TRADE RECEIVABLES

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
(Unsecured, considered good unless otherwise stated)				
Outstanding over six months:-*				
- Considered good	504,450,653		922,953,094	
- Considered doubtful	498,670,766		19,305,578	
Other debts :-				
- Considered good	316,816,443		326,639,982	
- Considered doubtful	-		-	
	1,319,937,862		1,268,898,654	
Less: Provision	498,670,766	821,267,096	19,305,578	1,249,593,076
Retention Money **		22,126,281		41,884,785
Total		843,393,377		1,291,477,861

- 19.1 In respect of Sundry Debtors of Palakkad Unit, provision has been made for the debts considered doubtful by the management. However, there are some debts, though old, due mainly from Govt. Depth, PSUs etc. which have been considered as good by the management against which no provision has been made.
- 19.2 As per past experience of the company, liquidated damages for delay in execution of projects are generally being waived by the customers. Accordingly, all the cases of liquidated damages were examined on case to case basis and, a sum of ₹ 33,98,59,690/- has been charged to the Statement of Profit & Loss towards LD incurred during the previous years and a provision of ₹ 1,44,25622/- has been charged to the the Statement of Profit & Loss towards LD incurred during the year.
- 19.3 * Includes ₹ 21,20,72,503/- (previous year ₹ 21,20,72,503/-) against orders received from UHBVN in 2009 were terminated and reconciliation of work/material is in process.Regarding Rs. 8.23 Crores recovery against Bid nos. 187, 188 & 189 arbitrator has been nominated by UHBVN and proceedings are continuing.
- 19.4 * Includes ₹ 3,45,91,358/- (previous year ₹ 3,45,91,358/-) against order received from PSPCL in 2008 was terminated by the customer in 2010. The dispute arose between PSPCL & IL was subsequently referred to the arbitrator nominated by PSPCL and proceedings are going on.
- 19.5 Sundry Debtors, Loans & Advances including interest, balance in Deposit Account with customers, creditors, material with others and at customers sites and other personal accounts are taken as per books subject to their respective confirmations and/or reconciliation and its consequential adjustments.
- 19.6 ** Payments shall be due on completion of project/warranty.



Notes on Financial Statements for the year ended 31st March, 2019

20. CASH AND BANK BALANCES

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
- Cash on Cash equivalents				
- Cash on hand		335,425		244,942
- Cheques, DDs, Stamps on hand including in transit		5,924		868,671
- With scheduled Banks -				
- In current and saving A/c		46,763,245		60,449,251
- In Cash Credit A/c		-		17,798,931
- In Margin Money A/c		-		-
- Deposit with original maturity for less than 3 months		520,750,433		359,690,643
- Other Bank Balances		567,855,027		439,052,438
- In Fixed Deposit *				
- Deposit with original Maturity for more than 3 months but less than 12 months	69,914,072		104,433,802	
- Deposit with original Maturity for more than 12 months	-	69,914,072	21,805,672	104,433,802
- Others		-		1,755
Total		637,769,099		543,487,995
Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash Flow Statements is		567,855,027		439,054,193

* Includes amount ₹ 63,76,926/- (Previous year ₹ 63,76,926/-) pledged as margin money.

21. SHORT TERM LOANS & ADVANCES

- Loans and Advances (Unsecured, considered good unless otherwise stated)				
- Considered good	4,721,363		5,614,765	
- Considered doubtful	-		-	
	4,721,363		5,614,765	
Less: Provision	-	4,721,363	-	5,614,765
Income Tax & Sales Tax payment in advance and deduction at source	16,076,665			11,071,613
Balance with Port Trust, Customs, excise etc.	9,161,163			4,678,510
Deposits - With Govt. Departments	1,842,185			1,852,185
- With Others	3,910,738			4,025,441
Total		35,712,114		27,242,514

22. OTHER CURRENT ASSETS

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹	₹	₹	₹
Interest accrued on deposits & advances		8,729,904		4,243,517
Deposits:-				
- With Govt. Departments		-		-
- With Others		1,127,955		1,127,955
- Claims & other amounts recoverable:				
- Considered good	36,874,709		32,689,774	
- Considered doubtful	-		-	
	36,874,709		32,689,774	
Less: Provision	-	36,874,709	-	32,689,774
Govt. of India		88,836,383		88,836,383
Total		135,568,951		126,897,629

22.1 Pursuant to approval of CCEA as informed by Dcptt. of Heavy Industry, Ministry of Heavy Industry and Public Enterprises. Govt of India vide letter No.5(4)/2010-PE-Vni dated 23.02.2016, Govt, of India Loan of ₹ 16,75,00,000/ and normal & penal interest of ₹ 22,52,53,392/- as on 31.03.2016 has been adjusted against consideration of ₹ 48.16 Crores transfer of entire shareholding of IL in REIL to Govt, of India. Balance amount of ₹ 8,88, 36,383/- shall be adjusted towards future restructuring/ closure liability of IL (₹ 48.36 Crores- ₹ 39.28 Crores).



Notes on Financial Statements for the year ended 31st March, 2019

23. REVENUE FROM OPERATIONS

Particulars	2018-2019				2017-2018			
	₹	₹	₹	₹	₹	₹	₹	₹
A. Retail Sale			723,557,246				615,411,856	
B. Execution of System Contracts								
1. System		-				-		
2. Works								
- Completed & Adj.	-				-			
- In progress as as on 31-3-2019	-				-			
Less:								
- In Progress as on 31-3-2018	-	-	-	-	-	-	-	-
C. Other Services			35,482,288				22,513,703	
			759,039,534				637,925,559	

24. JOBS DONE FOR INTERNAL USE

Particulars	2018-2019				2017-2018			
	₹	₹	₹	₹	₹	₹	₹	₹
Capital Items		-				-		
Others		-				-		
Total		-				-		

25. OTHER INCOME

Particulars	2018-2019				2017-2018			
	₹	₹	₹	₹	₹	₹	₹	₹
Excess Liability written back			231,575				513,147	
Profit on sale of Fixed Assets			20,541,639				-	
Interest								
- Banks	33,940,819					7,538,603		
- Others	192,164	34,132,983			1,201,708		8,740,311	
Prior Period Items (Net) (Refer Note No. 31.1)			3,302,121				-	
Exchange difference (Net)			411,265				7,095	
Scrap sale			18,413,354				13,863,815	
Rent & Other Revenues								
- Township	651,367					29,950,342		
- Others	-	651,367			-		29,950,342	
Miscellaneous income			2,800,147				3,843,400	
Total			80,484,451				56,918,110	

25.1 Interest on loans & advances to staff is recovered on completion of recovery of principal amount and interest income is recognized on accrual basis in respective year.



Notes on Financial Statements for the year ended 31st March, 2019

26. COST OF MATERIALS CONSUMED

Particulars	Unit	2018-2019		2017-2018	
		Qty.	₹	Qty.	₹
(A) RAW MATERIALS CONSUMED					
1. Stainless Steel and Alloy Steel and other special alloys	Kgs Mtrs Nos.	21,981 4,920 10	5,449,617 664,451 4,625	18,842 3,187 -	4,711,573 349,184 -
2. Mild and Alloy Steel	Kgs Mtrs	9 5	769 10,123	15 55	1,249 160,904
3. Copper and Copper based alloys & other non-ferrous metals excluding Aluminium	Kgs Mtrs	68 1,970	38,632 236,182	130 1,782	187,359 212,385
4. Aluminium and its alloys	Kgs Mtrs	- -	- -	- -	- -
5. Others	Kgs Mtrs Nos.	13 376 2	2,901 55,620 2,225	68 287 28	14,759 33,486 213,526
			<u>6,465,175</u>		<u>5,884,425</u>
Other adjustment			-		-
	Total(A)		<u>6,465,175</u>		<u>5,884,425</u>
(B) BOUGHT OUT COMPONENTS					
1. Electrical, Electronics and Electro-mechanical components and sub assemblies			-		-
2. Pneumatic fittings			-		-
3. Fastners			2,899,214		4,001,363
4. Other auxiliary components and sub assemblies			14,485,114		-
5. Mechanical, Metallic components and sub assemblies			280,328,615		299,283,262
6. Non-metallic components and sub-assemblies			15,438,604		5,883,092
			<u>313,151,547</u>		<u>309,167,717</u>
Other uses/adjustment(Net)			-		-
	Total(B)		<u>313,151,547</u>		<u>309,167,717</u>
(C) COMPLETING ITEMS*					
- Opening Stock			-		5,011,357
- Purchases			-		-
- Other Adjustments			-		(3,740,033)
Less: Used for other than sales			-		1,271,324
Closing Stock			-		-
	Total(C)		-		<u>1,271,324</u>
	Total (A) To (C)		<u>319,616,722</u>		<u>316,323,466</u>

*Includes value of replacement

26.1 Due to varied specification, quantity data has not been given in respect of Components consumed and completing items.

26.2 Expenditure on Materials i.e. Consumption of Raw materials, Boughtout items, Completing items, Store & spares and tools include value reduction on account of obsolescence of Bought out items of ₹ 3,23,336/- (Previous year ₹ 1,80,176/-). This does not include such value reduction of manufactured items amounting to ₹ 2,66,773/- (Previous year ₹ 1,21,229/-).



Notes on Financial Statements for the year ended 31st March, 2019

27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND MANUFACTURED COMPONENTS

Particulars	2018-2019	2017-2018
Closing Balance		
(i) Finished goods	57,305,445	49,338,233
(ii) Work in process	48,065,350	62,556,405
(iii) Manufactured Components	51,614,818	53,503,124
Total	156,985,613	165,397,762
Less: Opening Balance		
(i) Finished goods	49,338,233	47,552,969
(ii) Work in process	62,556,406	54,237,304
(iii) Manufactured Components	53,503,124	56,002,335
Total	165,397,763	157,792,608
	(8,412,150)	7,605,154
Excise Duty includes in Opening Finished Goods Inventory	-	7,671,202
Net Accretion/ (Decretion)	(8,412,150)	15,276,356

28. EMPLOYEES' BENEFIT EXPENSES

Particulars	2018-2019	2017-2018
Salaries, Wages, Bonus & Allowances	160,333,571	184,308,740
PF Contribution	11,156,363	12,839,386
Gratuity	7,004,357	17,414,208
Staff Welfare Expenses	24,150,362	26,741,101
Total	202,644,653	241,303,435

28.1 During the year the following amounts were paid and provided for Chairman and Managing Director and full time Directors as remuneration :-

Salaries and allowances	576,461	3,680,419
PF contributions	39,931	350,736
Other perquisites	-	50,093
	616,392	4,081,248

Besides the above, use of staff car including for personal use, upto a ceiling of 750kms. per month for Chairman-cum-Managing Director and for full time Directors on payment of 2000/- per month has been allowed in accordance with the terms of appointment.

28.2 Expenditure on Public Relations are as under:-

	2018-2019	2017-2018
Salaries wages, Bonus and Allowances included in Note No. 28	-	-
Public Relation Expenses shown in Note No. 31.	-	2,625

29. FINANCE COST

	2018-2019	2017-2018
Bank Borrowings	990,486	4,262,386
Others	1,312,872	27,186,671
Total	2,303,358	31,449,057



Notes on Financial Statements for the year ended 31st March, 2019

30. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	2018-2019	2017-2018
Depreciation		
Depreciation on Tangible Assets (Pl.see Note No. 12) A	13,601,733	16,744,955
Depreciation on Intangible Assets (Pl.see Note No. 12) B	495,508	495,508
Amortisation of Deferred Revenue Exps.		
Amortisation during the year C	-	-
Depreciation and Amortisation Expenses (A+B+C)	14,097,241	17,240,463

31. OTHER EXPENSES

Particulars	₹ 2018-2019	₹	₹ 2017-2018	₹
Directors fees and expenses	24,336		321,298	
Rent	-		545,652	
Rates & Taxes	1,036,563		1,752,915	
Insurance	476,838		538,461	
Travelling expenses-Directors	944,395		1,187,736	
Travelling expenses-Others	3,265,364		9,668,685	
Conveyance Charges	2,913,813		3,746,430	
Vehicle running & maintenance	1,357,361		2,240,971	
Payment to Auditors (including Cost Auditors)				
(a) As Auditors				
- Fees	288,000		202,960	
- Expenses	25,000	313,000	50,000	252,960
(b) In other capacity in respect of				
- Certification fee	42,880		2,000	
- Tax Audit fee	54,000	96,880	63,720	65,720
Legal Expenses		849,055		4,701,318
Repairs & Maintenance(other than salaries & wages)				
- Plant & Machinery	126,000		48,172	
- Buildings	11,685,985		12,195,142	
- Others	1,269,451	13,081,436	706,707	12,950,021
Advertisement & Publicity	250,574		452,763	
Business Promotion	-		514,913	
Stores, Spares & Tools Consumed	10,722,680		12,675,514	
Packing & Forwarding	14,634,480		20,083,930	
Public Relations	-		2,625	
Other selling & distribution Exps.	513,876		46,761,068	
Liquidated Damages	14,425,622		299,448	
Power & Electricity	14,106,675		17,482,468	
Water Charges	3,452,012		5,192,990	
Social Welfare exp.	95,616		104,148	
Research & Development (other than Salaries & Wages)	329,317		81,771	
Printing & Stationery	2,816,539		1,711,789	
Royalty	-		-	
Loss on Sale of fixed assets	-		7,564,923	
Bank charges	3,524,594		5,368,689	
Exchange rate variation(Net)	-		-	
Postage, Telegram, Telex & Telephone Exps	1,314,717		1,445,940	
Miscellaneous expenses	7,428,416		11,649,766	
Prior Period Items (Net)	-		6,839,701	
Total	97,974,158		176,204,613	



Notes on Financial Statements for the year ended 31st March, 2019

31.1 Details of Prior Period items are as under :-

Particulars	2018-2019 ₹	2017-2018 ₹
DEBITS		
Interest	-	102,369
Repair & Maintenance	321,460	-
Others	-	1,366,701
Misc. Expenses	-	5,386,231
Total Debits	321,460	6,855,301
CREDITS		
Audit Expenses	34,560	-
Others	3,589,021	-
Misc. Income	-	15,600
Total Credits	3,623,581	15,600
NET CREDIT/ (DEBIT)	3,302,121	(6,839,701)

32 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :-

Particulars	2018-2019 ₹	2017-2018 ₹
(a) Guarantees given by Bankers to Customers and others.	53,480,302	62,050,955
(b) Balance of outstanding commitments against letters of credit established by the company	7,837,358	885,974
(c) Claims against the company not acknowledged as debt except where amount is not ascertainable	-	221,341,630
(d) Less charge memos on account of custom duty	-	19,167,367
(e) Sales Tax demand disputed in appeals	21,927,703	43,166,932
(f) Service Tax demand disputed in appeals	-	26,604,290
(g) Pending sales-tax declaration forms (C/E-1 Forms)	-	376,744
(h) Legal undertaking for Deemed Export project under duty exemption scheme for discharge of export obligations	-	14,673,595
(i) LD under dispute with UHBVN, Hariyana	82,265,000	82,265,000
(j) Claim of Sales Tax by Dakshinanchal Vidhuit Vitaran Nigam Ltd..	-	12,609,857
(k) Estimated liability for 1997 pay-revision arrears for the period w.e.f. 1.1.1997 to 22.2.2009	1,256,899,334	1,256,899,334

INFORMATION REGARDING EXPORT & IMPORTS:-

Particulars	2018-2019 ₹		2017-2018 ₹	
(a) Earning in Foreign Exchange				
Export of goods				
- Retail sale (F.O.B.BASIS)*	4,821,904		489,981	
(b) Value of Imports(CIF)				
- Raw Materials	-		-	
- Components, Completing items & Spare Parts	51,758,119		53,317,599	
- Capital Goods	-		-	
(c) Expenditure in foreign currency (does not include expenditure of Branch abroad)				
- Technical know how and documents	-		-	
- Others	-		54,809	
(d) Value of Consumption				
Raw materials				
- Imported	440,844	6.82	431,675	7.34
- Indigenous	6,024,331	93.18	5,452,751	92.66
Boughtout components				
- Imported	51,591,184	16.47	57,654,900	18.65
- Indigenous	261,560,364	83.53	251,512,817	81.35
Stores & Spares				
- Imported	21,657	0.20	49,757	0.39
- Indigenous	10,701,023	99.80	12,625,757	99.61

* Excludes deemed export ₹ Nil/- (Previous year ₹ 4,07,38,138/-)

32.1 DEFINED BENEFIT PLAN GRATUITY:

In respect of Employees of Kota Complex:

In view of approval for closure of Kota Complex, all employees of Kota Complex have been relieved under VRS/VSS in April 2017. Liability towards the amount of Gratuity paid to the employees of Kota Complex in June 2017 has been recognised in the books as on 31.03.2017.

In respect of Employees of Palakkad Unit:

The Company contributes an amount equal to the premium for the Cash Accumulation Policy taken with Life Insurance Corporation of India, to Gratuity Trust, for onward payments to the Life Insurance Corporation. Due to liquidity problems, the Company could not contribute funds to LIC since last 3-4 years, consequently, the balance with LIC as on 31.03.2019 has exhausted. The present value of obligation in respect of employees of Palakkad Unit is determined based on Actuarial valuation using the Projected Unit Credit (PUC) method to assess the plan's liabilities including those related to retirement, resignation and death-in-service benefits. Accordingly, the same has been provided in the books.



Notes on Financial Statements for the year ended 31st March, 2019

(a) Reconciliation of opening and closing balance of defined benefit obligation: (Amount in ₹)

Particulars	2018-19	2017-18
Opening Defined Benefit Obligation on 1-4-2018	93,454,326	92,730,780
Service cost for the year	4,154,853	4,153,037
Interest cost for the year	7,116,874	7,110,547
Actuarial losses (gains)	(8,761,866)	(10,540,038)
Benefits paid	-	-
Closing defined benefit obligation on 31-3-2019	95,964,187	93,454,326

(b) Reconciliation of opening and closing balance of fair value of plan assets.:

Particulars	2018-19	2017-18
Opening fair value of plan assets	-	-
Expected return	-	-
Actuarial gains (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing balance of fund	-	-

(c) Reconciliation of fair value of assets and obligations:

Particulars	2018-19	2017-18
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	95,964,187	93,454,326
Unrecognised past service cost	-	-
Net liability	95,964,187	93,454,326
Amounts in the balance sheet:		
Liabilities	95,964,187	93,454,326
Assets	-	0
Net Liability	95,964,187	93,454,326

(d) Expenses recognised during the year:

Particulars	2018-19	2017-18
Current service cost	4,154,853	4,153,037
Interest on obligation	7,116,874	7,110,547
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the year	(8,761,866)	(10,540,038)
Past service cost	-	-
Losses (gains) on curtailments and settlement	-	-
Expense recognised	95,964,187	93,454,326

(e) Investment Details:

Funds managed by Insurer (LIC)	100%	100%
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(f) Actuarial Assumption:

Particulars	2018-19	2017-18
Discount rate as on 31-3-2019	0.0750	0.0750
Expected return on plan assets at 31-3-2019	0.0000	0.0000
Salary Escalation	0.0500	0.0500
Mortality Rate	Indian Lives Mortality Ultimate	

The estimates of future salary increase are based on seniority, promotion and others.



Notes on Financial Statements for the year ended 31st March, 2019

32.2 LEAVE ENCASHMENT:

In respect of Employees of Kota Complex:

In view of approval for closure of Kota Complex, all employees of Kota Complex have been relieved under VRS/VSS in April 2017. Liability towards the amount of Leave Encashment paid to the employees of Kota Complex in June 2017 has been recognised in the books as on 31.03.2017.

In respect of Employees of Palakkad Unit:

The employee leave encashment (Earned Leave) scheme is managed by a Cash Accumulation Policy administered by Life Insurance Corporation of India, **in respect of employees of Palakkad Unit**, is a defined benefit plan. Due to liquidity problems, the Company could not contribute funds to LIC since last 3-4 years, consequently the balance with LIC as on 31.03.2019 has exhausted. The present value of obligation in respect of leave encashment is determined based on Actuarial Valuation for encashment of leaves by the employees on retirement, resignation or death. Accordingly, the same has been provided in the books.

(a) Reconciliation of opening and closing balance of defined benefit obligation: (Amount in ₹)

Particulars	2018-19	2017-18
Opening Defined Benefit Obligation on 1-4-2018	12,171,153	12,866,665
Service cost for the year	7,300,094	7,939,717
Interest cost for the year	1,186,590	1,262,739
Actuarial losses (gains)	1,969,262	1,823,213
Benefits paid	(9,104,584)	(11,721,181)
Closing defined benefit obligation on 31-3-2019	13,522,515	12,171,153

(b) Reconciliation of opening and closing balance of fair value of plan assets.:

Particulars	2018-19	2017-18
Opening fair value of plan assets	-	-
Expected return	-	-
Actuarial gains (losses)	1,969,262	1,823,213
Contributions by employer	-	-
Benefits paid	-	-
Closing balance of fund	-	-

(c) Reconciliation of fair value of assets and obligations:

Particulars	2018-19	2017-18
Present value of funded obligations	13,522,515	12,171,153
Fair value of plan assets	-	-
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Net liability	13,522,515	12,171,153
Amounts in the balance sheet:		
Liabilities	13,522,515	12,171,153
Assets	-	-
Net Liability	13,522,515	12,171,153

(d) Expenses recognised during the year:

Particulars	2018-19	2017-18
Current service cost	7,300,094	7,939,717
Interest on obligation	1,186,590	1,262,739
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the year	1,962,262	1,823,213
Past service cost	-	-
Losses (gains) on curtailments and settlement	(9,104,584)	(11,721,181)
Expense recognised	13,522,515	12,171,153

(e) Investment Details :

Funds managed by Insurer (LIC) 100% 100%

(f) Actuarial Assumption :

Particulars	2018-19	2017-18
Discount rate as on 31-3-2019	0.0750	0.0750
Expected return on plan assets at 31-3-2019	0.0000	0.0000
Annual increase in Salary costs	0.0500	0.0500
Mortality Rate	Indian Live Mortality (1994-96) Ultimate table	



Notes on Financial Statements for the year ended 31st March, 2019

32.3 The Company is engaged in manufacturing of multiple products using many common inputs and plant and machinery. It is extremely difficult to apportion common infrastructure of manufacturing, assembling and testing of such multiple products. Due to diverse nature of company's activities and that the risks and returns of the Company are not affected by geographical or economic factors and can be determined from aggregate data, therefore, provision of segment reporting is not required in accordance with AS 17.

32.4 As per Accounting Standard 18 (AS 18) issued by ICAI, the disclosures of transactions with related parties as defined in the AS 18 are given below :-

Key Management personnel :-

Sl.No.	Name	Nature of Relationship
1	Shri R. Gopala Rao	Chairman and Managing Director (Addl. Charge)
2	Shri A. K. Jain	Chairman and Managing Director (Addl. Charge upto 11.09.2018)
3	Shri M.P. Eshwar	Chairman and Managing Director (upto 25.06.2018)
4	Shri A. Muralidhar	Director (Production) (upto 22.04.2018)

Transactions during the year with the related parties are as under:-

ii) Key Management personnel :-

	Nature of Transaction	Value of Transaction (₹)	Balance with related parties as at 31.03.2019 (₹)
Shri M.P. Eshwar	Remuneration	351,874	-
Shri A. Muralidhar	-do-	264,518	-

32.5 The Ministry of Heavy Industry & Public Enterprises, Govt. of India vide its letter dated 08.12.2016 intimated the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (comprising Corporate Head Quarter, Kota Unit, P-DDC Unit and Marketing Unit viz Kota Complex) and in principle approval for transfer of Palakkad Unit of Instrumentation Limited to Government of Kerala in a time bound manner as per DPE Guideline dated 07.09.2016 of closure. In compliance of directives of Govt. of India, all employees of Kota have been relieved under VRS/VSS on 18.04.2017. Immovable and Movable assets of Kota complex, are under the process of sale through M/s. NBCC, (a PSU under Ministry of Steel) and M/s. MSTC, as per Govt. guidelines. Accordingly, the Finance statement have been prepared on the basis of a 'going concern' for Palakkad Unit and 'not on going concern' basis of Kota Complex. Standalone Profit & Loss Accounts and Balance Sheet of Kota Complex and Palakka Unit as below :-

Profit & Loss Account

Particular	Kota Complex		Palakkad Unit		Total	
	2018-19 (₹)	2017-18 (₹)	2018-19 (₹)	2017-18 (₹)	2018-19 (₹)	2017-18 (₹)
REVENUE FROM OPERATIONS	-	449,745	759,039,534	637,475,814	759,039,534	637,925,559
Jobs done for internal use	-	-	-	-	-	-
Total	-	449,745	759,039,534	637,475,814	759,039,534	637,925,559
Less :- Excise Duty	-	-	-	6,848,546	-	6,848,546
Revenue from Operations (Net)	-	449,745	759,039,534	630,627,268	759,039,534	631,077,013
Other Income	70,108,377	52,047,967	10,376,074	4,870,143	80,484,451	56,918,110
Finished Goods Transfer	-	-	-	-	-	-
Total Revenue	70,108,377	52,497,712	769,415,608	635,497,411	839,523,985	687,995,123
EXPENSES						
Cost of Materials consumed	-	1,271,324	319,616,722	315,052,142	319,616,722	316,323,466
Changes in Inventories of Finished goods & Work-in-process	-	-	8,412,150	(15,266,356)	8,412,150	(15,276,356)
Employees Benefit Expenses	22,140,100	57,037,081	180,404,553	184,266,354	202,644,653	241,303,435
Services & Sub-Contracting	14,356,767	25,578,641	70,056,247	3,227,191	84,413,014	77,058,776
Finance Cost	1,312,872	28,221,866	990,486	51,480,135	2,303,358	31,449,057
Depreciation and Amortisation Expense	514,331	4,255,381	13,582,910	3,227,191	14,097,241	17,240,463
Other Expenses	19,742,646	105,975,789	78,231,513	70,228,824	97,974,824	176,204,613
Total Expenses	58,166,646	222,340,082	671,294,581	621,963,372	729,461,297	844,303,454
Profit/(Loss) before exceptional and, extraordinary items and tax	11,941,661	(169,842,370)	98,121,027	13,534,039	110,062,688	(156,308,331)
Exceptional item	(1,357,891,949)	35,732,702	456,554,839	(35,391,960)	(901,337,110)	340,742
Profit/(Loss) before extraordinary items and tax	1,369,833,610	(205,575,072)	(358,433,812)	48,925,999	1,011,399,798	(156,649,073)
Extraordinary items	-	-	-	-	-	-
Profit/(Loss) before Tax	1,369,833,610	(205,575,072)	(358,433,812)	48,925,999	1,011,399,798	(156,649,073)
Tax Expenses						
Current Tax	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	-
Profit/(Loss) for the year	1,369,833,610	(205,757,072)	(358,433,812)	48,925,999	1,011,399,798	(156,649,073)



Notes on Financial Statements for the year ended 31st March, 2019

Balance Sheet

Partieula	Kota Complex		Palakkad Unit		Total	
	As on	As on	As on	As on	As on	As on
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1. Source Of Funds						
1. Shareholders' Funds						
Share Capital	240,453,000	240,453,000			240,453,000	240,453,000
Reserves & Surplus	(6,062,854,083)	(7,071,238,275)	1	1	(6,062,854,082)	(7,071,238,274)
2. Share Application Money						
Pending Allotment	1,220,096,000	1,220,096,000			1,220,096,000	1,220,096,000
3. Non-Current Liabilities						
(a) Long Term Borrowings	-	-	-	-	-	-
(b) Deferred Tax Liability	-	-	-	-	-	-
(c) Other Long Term Liabilities	-	-	136,038,977	125,746,081	136,038,977	125,476,081
Long Term Provisions	-	-	-	-	-	-
4. Current Liabilities						
(a) Short Term Borrowings	-	-	19,620,645	12,840,180	19,620,645	12,840,180
(b) Trade Payables	201,726,097	220,985,395	133,492,783	120,715,677	335,218,880	341,701,072
(c) Other Current Liabilities	6,274,004,463	7,645,748,555	85,637,466	93,870,558	6,359,641,929	7,739,619,113
(d) Short Term Provisions	-	-	-	-	-	-
3. Inter Unit Transfer						
	(806,196,841)	(1,166,115,514)	806,196,841	1,166,115,514	-	-
Total	1,067,228,636	1,089,929,161	1,189,986,713	1,519,288,011	2,248,215,349	2,609,217,172
ASSETS						
1. Non-Current Assets						
(a) Fixed Assets						
(i) Tangible Assets	13,766,628	24,810,171	101,048,782	95,063,983	114,815,410	119,874,154
(ii) Intangible Assets	-	-	549,809	1,045,317	549,809	1,045,317
(ii) Capital Work in Progress	-	853,080	6,122,494	20,555,840	6,122,494	21,408,920
(b) Non-Current Investments	-	-	-	-	-	-
(c) Long Term Loans and Advances	-	-	127,421,359	131,442,180	127,421,359	131,442,180
(d) Other Non-Current Assets	-	-	7,334,806	6,857,631	7,334,806	6,857,180
Total	13,766,628	25,663,251	242,477,250	254,964,951	256,243,878	280,628,202
2. Current Assets						
(a) Current Investments	90,000	90,000	-	-	90,000	90,000
(b) Inventories	-	-	339,437,930	339,392,971	339,437,930	339,392,971
(c) System Work (At Sites)	-	-	-	-	-	-
(d) Trade Receivables	394,097,084	443,025,657	449,396,293	848,452,204	843,393,377	1,291,477,861
(e) Cash and Bank Balances	521,086,178	490,693,815	116,682,921	52,794,180	637,769,099	543,487,995
(f) Short Term Loans and Advances	26,207,008	21,237,296	9,505,106	6,005,218	35,712,114	27,242,514
(g) Other Current Assets	111,981,738	109,219,142	23,587,213	17,678,487	135,568,951	136,897,629
Total	1,053,462,008	1,064,265,910	938,509,463	1,264,323,060	1,991,971,471	2,328,588,970
Total	1,067,228,636	1,089,929,161	1,180,986,713	1,519,298,011	2,248,243,349	2,609,217,172



Notes on Financial Statements for the year ended 31st March, 2019

32.6 Exceptional item :-

	2018-2019	2017-2018
	Amount (₹)	Amount (₹)
1. Write back of Credit balance	(8,158,000)	(71,996,781)
2. Waived off Govt. of Rajasthan Loan	(1,361,768,000)	-
3. Excess provision withdrawn	-	(310,692)
4. Write back of Interest on Cash Credit as per OTS	-	(83,061,611)
5. VRS/VSS on Closure of tha Company	156,533	2,128,896
6. Guarantee invoked given by Bank (Claimed by customers)	-	(1,88,972,890)
7. Fixed Assets Written Off	11,877,517	-
8. Liability for Gratuity & Earned Leave towards earlier years (Palakkad Unit)	25,779,521	(40,104,492)
9. Sales Tax towards earlier years (Palakkad Unit)	438,013	4,712,532
10. Stock discrepancy provision prior period (Palakkad Unit)	14,403,109	-
11. LD provision prior period (Palakkad Unit)	339,859,688	-
12. Doubtful debts provision prior period (Palakkad Unit)	76,071,514	-
13. Other prior period expenditure (Palakkad Unit)	2,995	-
	(901,337,110)	340,742

32.7 Earning per share calculated in accordance with the provisions of AS-20 :-

	As on	As on
	2018-2019	2017-2018
	(₹)	(₹)
EPS on Profit		
Profit after tax as per Statement of Profit & Loss (Used as denominator)	(1,011,399,799)	(156,649,073)
Number of Equity shares (Face value 1000/- each)	240,453	240,453
Weighted Average number of equity shares for calculating Basic earning per share	240,453	240,453
Weighted Average number of equity shares for calculating Diluted earning per share	976,949	976,949
Basic earning per share (Rs. per share)	4206	(651)
(Face value of Rs.1000/- each)		
Diluted earning per share (Rs. per share)	1035	(160)
(Face value of Rs. 1000/- each)		

32.8 Figures have been rounded off to the nearest rupee, wherever considered necessary. Figures in brackets () indicate deduction.

32.9 The figures of the previous year have been regrouped/reclassified wherever necessary.

32.10 The figures of Palakkad Unit have been regrouped/reclassified wherever necessary.

32.11 Note No. 1 to 32 form integral part of the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement.

For and on behalf of the Board

Yogesh Gautam **A.M. Manichan**
Director Director
M.No. A46662 DIN No. 07046352

R.Gopala Rao
Chairman and Managing Director
DIN No. 06970622

In terms of our report of even date attached
For GR Gupta & Co.
Chartered Accountants
F.R.N. 006201C

C.A. Abhishek Mittal
Partner
M.No.404848

Place : Camp, New Delhi
Date : 22nd January, 2020


ANNEXURE-1
TOWNSHIP EXPENSES & SOCIAL OVERHEADS

Particulars	2018-2019	2017-2018
TOWNSHIP EXPENSES		
Salaries, Wages & Other benefits to employees.	400,854	462,097
Repairs & Maintenance	717,608	828,454
Water charges	122,250	138,079
Electricity charges	122,118	104,746
Depreciation	151,821	151,823
	<u>1,514,651</u>	<u>1,685,199</u>
Less :		
TOWNSHIP INCOME		
Rent	157,267	133,819
Electricity	-	0
Water charges	32183	37,783
Miscellaneous receipts	-	-
	<u>189,450</u>	<u>171,602</u>
Surplus in Township (A)	<u>1,325,201</u>	<u>1,513,597</u>
OTHER SOCIAL OVERHEADS		
Salaries, wages & Other benefits to employees.	660,604	1,083,323
Repairs & maintenance	933,534	414,227
Water charges	-	-
Electricity	144,255	42,766
Reimbursement of Medical Expenses to employees and Dispensary and Medical expenses	6,335,679	5,664,086
Other public social and cultural activities including grant and subsidies.	142,697	1,239,428
Depreciation	26,093	34,275
SOCIAL OVERHEADS(B)	<u>8,242,862</u>	<u>9,478,105</u>
TOTAL (A+B)	<u>9,568,063</u>	<u>9,991,702</u>

ANNEXURE-2
CAPITAL EXPENDITURE ON TOWNSHIP AND SOCIAL AMENITIES

PARTICULARS	GROSS - BLOCK			As at 31-3-2019	DEPRECIATION	NET - BLOCK	
	As at 1-04-2018	Add- itions during the year	Deduc- tions/ Sales/ write off Adjust.		Up to 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	2	3	4	5	6	7	8
Roads, Drains & Culverts	848,652	-	-	848,652	806,219	42,433	42,433
Buildings	7,461,565	-	-	7,461,565	5,327,214	2,134,351	2,286,172
Electric Installations	917,464	-	-	917,646	874,445	43,201	43,201
Drainage, Sewerage & Water Su.	376,949	-	-	376,949	358,102	18,847	18,847
Plant & Machinery	968,690	-	-	968,690	902,890	65,800	91,893
Furniture & Fittings	214,469	-	-	214,469	212,522	1,947	1,947
Other Appliances	33,124	-	-	333,124	317,299	15,825	15,825
Vehicles	-	-	-	-	-	-	-
TOTAL	<u>11,121,095</u>	-	-	<u>11,121,095</u>	8,798,691	2,322,404	2,500,318
Previous Year	<u>11,121,095</u>	-	-	<u>11,121,095</u>	8,620,777	2,500,318	

Note :Depreciation for the year amounts to ₹ 1,77,914/- (Previous Year ₹ 1,86,098/-)

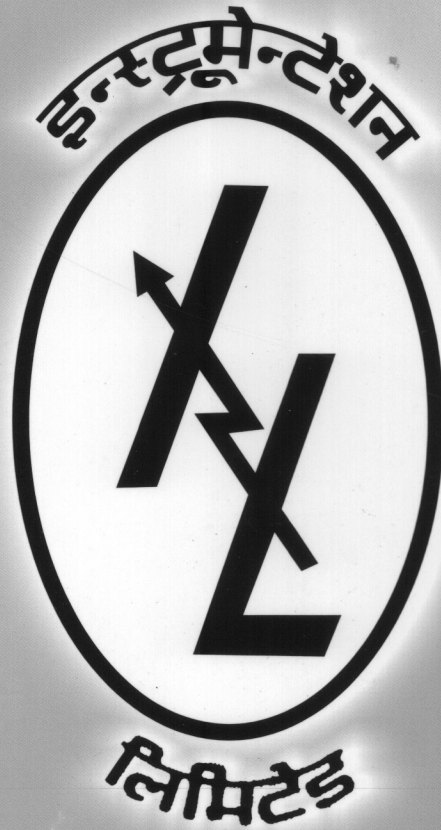
OUR PLANTS AND OFFICES

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एक कदम स्वच्छता की ओर



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