Contents

Board of Directors

Chairman & Director	:	Shri Rajeeva Swarup
Managing Director	:	Shri Akhilesh Kumar Jain
Directors	:	Shri Mohan Lal Bhargava Shri Nirmal Kumar Jain Ms. Anupama Sharma Ms. Parveen Gupta
Auditors	:	M/s R.K. Malpani & Associates, Chartered Accountants, Jaipur (Raj.)
Bankers	:	Punjab National Bank M.C. Branch, M.I. Road, Jaipur.
Registered Office	:	2, Kanakpura Industrial Area, Sirsi Road, Jaipur – 302 012

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is an honour and a privilege to present the 36th Annual Report of your company. The Company which started its journey almost 37 years back has been successful in its mission of providing technology solutions for qualitative & quantitative analysis of milk across all verticals of Dairy Industry Sector through its ON/AT line milk analysis and automation solution; addressing needs of renewable energy of the rural and related urban sector through Solar Photo Voltaic; and Information Technology & Security Surveillance applications for e-governance, dairy vertical, small business and Government sectors. The financial year 2017-18 was another year of sustainable growth in our performance.

Your Company's Performance

I am pleased to inform that, in FY 2017-18, REIL has performed satisfactorily, backed by a solid performance in the core area of operations. You, as our shareholders, have shown great faith and belief in what we are doing and that gives us the strength and determination to keep exceeding your expectations. During the year, turnover grew by 5% to ₹ 244.80 Crores from ₹ 233.03 Crores in the previous year. Board of Directors has recommended dividend @ 20% i.e. ₹ 2 per share for the year 2017-18

Your Company is holding the most prominent position in the Dairy Industry through its customer focused approach by way of ensuring prompt products deliveries and after sales support. In the Dairy Electronics, the Company has so far designed, manufactured and deployed 2,20,000 nos. of Electronics Milk Analysis and Automation Systems at various milk plants, milk chilling centres and village co-operative societies throughout the country. It has emerged as largest Milk Analyzers deployer and a trust-worthy partner for progressing Indian Dairy Industry. The Company is into Project Management, designing, manufacturing & deploying Solar Photovoltaic solutions for last three decades and has wide exposure and rich experience. The Company has emerged as Significant Off/On Grid Solar Solutions Provider and has spread its business across the country by deploying more than 3.25 Lac SPV solutions, with an aggregative capacity of more than 65 MW, covering 2 Lakh villages, benefiting more than 60 Lakh citizens.

The focus of the Company has been to satisfy its esteemed customers and continued patronage for its product has placed REIL as a market leader in Indian dairy Industry. National milk Grid and Cold Chain is critical need and your Company has deployed solar powered GPRS AMCU/ DPMCU based project across the country by embedding different technologies. The Company has ensured error free dairying by providing solutions for instant milk pouring information to central server for customers such as PCDF, Paayas, Maahi, Baani, AMUL, Mother Dairy, Nandani, Sanchi and Shreeja Milk Producers Companies; COMFED, Bihar; and APDDCF, Hyderabad.

The Renewable Energy Division is intensifying its efforts to expand its markets to have a pan India presence. The Company has supplied, installed and commissioned solar power projects to various organizations such as RREC, RHDS, PHED, ONGC, NLC, EIL CONCOR, PGCIL, SIL, IOCL, MAZGAON DOCK, IIFCL, REC, EPIL, PFC, AAI, IREDA, BREDA, NEDA and other private players such as Axis Bank and Syngenta India Ltd.

The Company continued to contribute in law enforcement for food safety security as per guidelines of FSSAI, Government of India through deployment indigenized Electronic Milk Adulteration Testers in the country, enabling food safety drive reach to the customers and boost their confidence to get safe milk.

The Company has been designated as expert CPSE and Project Management Consultant (PMC) by Ministry of New & Renewable Energy (MNRE) for 10 ministries to roll out installation of 746 MW Grid Connected Roof Top Solar Power Projects.

The Company has been providing solution for Digital Security during examinations time at centers of Board of Secondary Education, Rajasthan through online monitoring and recording, by deployment of CCTV systems and also provided online solution for Transport Department, GoR, aligning it with Climate Change initiatives of the Government, by networking of about 800 authorized pollution check centers across the state of Rajasthan.

In Renewable Energy business, the Company performed well in Rooftop Solar Business, SPV Home Lighting, SPV Water Pumping etc. In line with Smart Cities Mission of Government of India, your Company has been nominated as nodal agency for implementation of Solar Energy Projects at Jaipur, Udaipur, Kota and Ajmer. Your Company has signed MoU to the tune of 60 MW with respective Smart Cities under PMC Mode and has already executed solar projects of 2.1 MW. It continued to work in line with missions of Government of India- Make in India, Digital India, Skilling India, National Solar Mission and National Dairy Plan.

We are confident about maintaining business momentum and delivering a strong performance in the coming years, with continuous expansion of business in new geographical areas and increasing customer base. Under the FAME India Scheme, your Company has developed and installed prototype SPV based hybrid charging stations of different capacities to charge electric vehicles and also deploying 200 AC/DC slow and fast charging stations with the aim to manufacture these chargers in India under “Make in India” initiative to contribute in National Electric Mobility Mission Plan (NEMMP).

A number of prestigious awards and recognitions were conferred on the Company this year. The Company was awarded “National Energy Conservation Award- 2017 by Hon’ble President of India, in recognition to REIL’s efforts in Energy Conservation in Office & BPO Building Category. The Company was awarded “PSE Excellence Award 2016” in R&D, Technology Development and Innovation by Indian Chamber of Commerce and “IEI Industry Excellence Award 2017” in manufacturing and processing category.

The Company has been taking various CSR activities to create value for the society. Health, education, environment and empowerment of women/children/citizen & underprivileged have been identified as thrust areas. Your Company organized free medical/health camps, deployed Solar Power Systems and awarded scholarship to students belonging to persons with disability.

Your Company has always given utmost importance to its human capital and envisage that the challenges of the future can be best met with competent and motivated human resources. The Company is taking care of its employees through various welfare schemes and employee oriented policies.

Your Company continues to believe in excellence in delivering services seasoned with good business ethics. We target high customer satisfaction, employee satisfaction and maximum revenue generation from all that. We aim to extract maximum benefit from the business opportunities that we foresee, hand in hand with our trained and skilled team and teamwork.

On behalf of team REIL, I assure you that your Company will continue to put best efforts and committed to fulfill the vision “To be the leader in the Rural Sector for business area of Dairy Electronics, significant player in Renewable Energy and in related areas of Information Technology applications” and thereby ensuring sustained returns to its stakeholders. In the end, I would like to thank the REIL team for their determination and hard work to take the Company to soaring new heights.

With best wishes,

Date: 28.09.2018 Sd/-

Place: Jaipur **CHAIRMAN**

DIRECTORS' REPORT

To
The Members,

On behalf of the Board of Directors of Rajasthan Electronics & Instruments Ltd., Jaipur (REIL), we are delighted to present the 36th Annual Report of your Mini-Ratna Company, along with audited Financial Statements for the financial year 2017-18.

The Company has achieved a top line of ₹ 244.80 crore and bottom line of ₹ 4.02 crore during the financial year. The Company is, catering to the dairy sector instrumentation market, and Solar Photovoltaic across the length & breadth of the country for last 37 years. Emerged as largest Milk Analyzer deployer & significant Off-grid/On-grid solar solution provider in the Country through deployment of more than 100 variants of products for the benefit of over 600 Lakh citizen and 3 Lakh villages- addressing the Government high priority area of Rural up-liftment. The Company has aligned business operations to contribute to various National Programmes such as Make in India, Digital India, National Solar Mission, Drinking Water Mission, Food Safety & Security, Doubling the farmers income, FAME India Scheme and Smart City Mission

FINANCIAL PERFORMANCE

The Company's financial highlights are as provided below

(₹ in Lakh)

S.No	PARTICULARS	2017-18	2016-17
1.	Turnover & Other Income	**24480**	23303
2.	Material Cost	**15280**	14328
3.	Employment Cost	**3352**	2564
4.	Other Revenue Expenses	**4930**	4308
5.	Gross Margin (PBDIT)	**918**	2103
6.	Profit Before Tax (PBT)	**622**	1737
7.	Profit After Tax (PAT)	**402**	1215
8.	Net Worth	**10936**	11072
9.	Order Booking	**25723**	20400
10.	Book Value Per Share (in ₹)	**89.27**	90.38
11.	Operating Profit/Revenue from Operations (%)	**1.77**	6.44
12.	PAT/Net Worth (per cent)*	**3.66**	11.32
13.	Number of days of Inventory of FG and WIP	**14**	14
14.	Trade Receivables as number of days of Revenue from Operations (Gross)	**359**	262

STATUS OF COMPANY'S AFFAIRS

The Company entered into the Performance MoU with Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises (MoHI&PE), Government of India to set the performance targets for the year 2018-19. The MoU performance of REIL, for the year 2016-17 has again been rated as 'Excellent'. It is expected that during the year 2017-18 the Company will be rated as 'Very Good' in respect of the MoU parameters calculated on pro-rata basis of the excellent target v/s actual achievement.

The Company's Profit for the financial year 2017-18 is less as against the previous year mainly due to impact of provisioning of Pay Revision liability of its employees to be implemented w.e.f. 01.01.2017 and increase in the limit of gratuity amount.

During the year, Company received major orders for DPMCU/SPV-DPMCU and AMCU, EMT(s), Auto EMT(s) from milk cooperative unions of Rajasthan, Andhra Pradesh, Kerala, Madhya Pradesh, Gujarat, Haryana, J&K and Punjab and SPV based Data Processor Milk Collection Unit (DPMCU) with GPRS at various societies in the State of Uttar Pradesh.

The Company has achieved another milestone through consistent and sustained efforts for Error free dairying and received order for up-gradation of all existing systems approx 2700 nos. AMCUs/DPMCUs in District Milk Unions of Punjab. This will help in making milk procurement activities more transparent and productive besides real time monitoring of procurement activities and will ensure fair payment to farmers.

Under the initiative of Gujarat State Government to further strengthen the dairy sector, REIL's Electronics Milk Adulteration Tester (EMAT) will be deployed for quality improvement at Grass root level in 108 villages, benefitting over 40,000 people and this will also boost consumer confidence to get safe milk.

To provide the cost effective, reliable solutions to fulfill the needs of Indian Dairy the Company signed an agreement with CEERI, Pilani, Government of India, for transfer of technologies for Handheld System, for detection of adulteration in Milk – Ksheer Tester, Rapid Milk Analyser for analysis of Milk composition and Handheld Milk Fat Tester.

The Company successfully completed first pilot and pioneered the Integrated Solar Water Pump Farmers Cooperative jointly with NDDB at Mujhkuva Saur Urja Utpadak Sahkari Mandali, Gujarat. The Company plans to replicate its success in more villages in the country.

The Company in its role as expert CPSE and Project Management Consultant (PMC) for Grid Connected Rooftop Solar Projects, signed MoU(s) with Ministries and CPSE's such as ONGC, NLC and BHEL for installation of Rooftop Solar on their office building throughout the country and undertaking for implementation of 16.8 MW at ONGC.

Under the FAME India Scheme, REIL has developed and installed prototype SPV based hybrid charging stations of different capacities to charge electric vehicles and also deploying 200 AC/DC slow and fast charging stations with aim to manufacture these chargers in India later under "Make in India" initiative to contribute in National Electric Mobility Mission Plan (NEMMP).

The Company has designed and provided online solution for Transport Department, Govt. of Rajasthan, aligning it with Climate Change initiatives of the Government, by networking of about 800 authorized pollution check centres across the state of Rajasthan.

Your Company continues with its task to build business with long term goals based on intrinsic strength in terms of its powerful brands, quality manufacturing process, excellent after-sales-service and customer relationships. It accords high priority to rationalizing and streamlining operations to bring about better efficiencies and reduction in costs. The Company continued to be a "MINI RATNA" amongst Public Sector Enterprises.

INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2018 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

SHARE CAPITAL STRUCTURE

The paid up Equity Share Capital as at March 31, 2018 stood at ₹ 12.25 crore. The President of India and Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) holds 51% and 49% of equity shares respectively.

DIVIDEND

The Board of Directors recommends declaration of dividend @ 20 % i.e. ₹ 2.00 per share on share capital of ₹ 12.25 Crore of the Company for the year 2017-18.

TRANSFER FROM GENERAL RESERVES

It is proposed to transfer ₹ one crore from General Reserve of the Company to retained earnings for the year 2017-18.

CREDIT RATING

The Company has obtained its credit ratings from CARE. It has been given a rating 'CARE BBB+' by CARE for its long-term bank facilities. Similarly, for its short-term bank facilities the Company has been assigned 'CARE A3+' rating by CARE.

The ratings continue to derive strength from the established operations with long track record and diversified product portfolio.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Shri Rajeeva Swarup, IAS, Chairman & Managing Director, Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), has been appointed as Chairman & Director w.e.f. 18.12.2017.

Ms. Mugdha Sinha, IAS, Managing Director, Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), ceased to be Chairman & Director of the Company consequent upon her transfer w.e.f. 18.12.2017.

Ms. Anupama Sharma, Financial Advisor, Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), has been appointed as Director w.e.f. 21.08.2017.

Shri Sanjay Solanki, Financial Advisor, Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), ceased to be Director of the Company consequent upon his transfer w.e.f. 21.08.2017.

Ms. Parveen Gupta, Deputy Secretary, Department of Heavy Industry, New Delhi, has been appointed as nominee Director w.e.f. 24.01.2018.

Ms. Ritu Pande, Director, Department of Heavy Industry, New Delhi ceased to be Director of the Company consequent upon her transfer w.e.f. 24.01.2018.

Shri A. Muralidhar, Director (Production), Instrumentation Limited, Kota ceased to be Director of the Company consequent upon delinking of REIL from Instrumentation Ltd., Kota w.e.f. 13.09.2017.

The Board of Directors places on record the deep appreciation of the valuable services rendered as well as advice and guidance provided by Ms. Mugdha Sinha, Ms. Ritu Pande, Shri A. Muralidhar and Shri Sanjay Solanki during their tenure.

Key Managerial Personnel

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Shri Akhilesh Kumar Jain, Managing Director, Shri Subhash Agrawal, Chief Financial Officer and Shri Amit Kumar Jain, Company Secretary. There has been no change in the key managerial personnel during the year.

Declaration by Independent Directors

The independent directors have submitted the declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

VISIBILITY

During the year, REIL has played key role in various Exhibitions and Seminars/conferences of National/ International level, in the fields of Dairy, Renewable Energy and Information Technology, such as:

- "Doubling Farmers Income by 2022" in 46th Dairy Industry and Dairy Expo organized by Indian Dairy Association themed at "Dairying: Sufficiency to Efficiency" at Kochi. MD, REIL shared that Government is committed to the agriculture sector and has been pushing for the implementation of schemes that aims to shift priority from production-led to income-led strategy and efforts of REIL towards achieving this ambitious objective of Doubling Farmers Income.
- 5thAgri-Horti Tech Summit at Lucknow organized by PHD Chamber of Commerce, aimed to educate farmers about new technology in agriculture and horticulture. MD REIL shared his views on "Doubling Farmer's Income by 2022" and new ideas for the welfare of the farmers.
- Intersolar India 2017, India's largest Exhibition and conference for the Solar Industry at Mumbai. The Company shared its vast experience in SPV segment during the exhibition and MD REIL delivered a talk on Agro-PV innovations: A step towards Doubling Farmer's Income.
- MD REIL Shared views on "Roadmap to Low Carbon Electricity" at CEO Roundtable forum highlighting his experience in the field of Renewable Energy in 11th Renewable Energy Expo at Greater Noida.
- 1st CSR FAIR 2017 organized by Department of Public Enterprises, Government of India at New Delhi wherein Company participated in the conference and exhibited its CSR work and CSR models developed for other PSUs. MD REIL also addressed the session and shared his presentation & views on "CSR for Drinking Water and Sanitation for positioning India as Global Leader".
- Energy Storage Roundtable Policy Forum organized by International Energy Solar Alliance (IESA) at New Delhi, wherein MD REIL emphasized on REIL's plans for EV charging infrastructure development and opportunities for storage in Country etc.
- Solar Tech Leadership Summit organized by EQ International and emphasized on tendered and achieved quantity of Solar by agencies & tender opportunities on ground & until 2022.
- "Renewable Energy Commitments in COP21: National

& International Perspective" in 8th WRETC organized by "Energy and Environment Foundation" at New Delhi. MD, REIL Shared views on new green technologies to ensure clean, reliable and affordable renewable energy supplies which are the need of hour to fight against critical issue of climate change.
- Skill India-Making Engineers to Meet Demand of Industry, at Mining Welfare centre, Mansarovar organized by Institute of Engineers (India).
- One Mega Event, Largest Trade show and conference, organized by India Trade Promotion Organization, at Delhi. MD, REIL emphasized the need to standardize the Solar products and importance of storage in the solar projects, which are the big issues of concern in the country to achieve the goal of 100 GW by 2022.
- 2nd INDIA PSU IT Forum 2017, organized by Governance Now & supported by SCOPE, at, New Delhi. MD, REIL stressed that use of IT & other technology being an environmentally-benign and economically-viable option will help to take forward the vision of GoI's "Digital India" for better transparency.
- "Solar Tech Leadership Summit", organized by EQ International, at New Delhi. MD, REIL emphasized on tendered and achieved quantity of Solar by agencies & tender opportunities on ground & until 2022.
- "Solar Roofs-A Pan India Business series for Industrial, Commercial & Residential Roofs" co-organized by REIL and RRECL & supported by MNRE and SECI at, Jaipur. MD, REIL emphasized on the need of conducive environment which can enhance the Rooftop Solar capacity and make it sustainable e.g. through state policies etc as the Development of Storage and Single window clearance from DISCOMs.
- "Smart City Summit Kota" organized by Kota Municipal Corporation and Kota Smart City Limited, which was focused on Rajasthan Government's endeavour to transform Kota into a Smart City.

CORPORATE AWARDS AND RECOGNITIONS

Continuing its tradition of bagging prestigious national awards, the organization won several awards during the year. Notable among these included;

- "National Energy Conservation Award-2017" by Hon'ble President of India, Shri Ram Nath Kovind to MD REIL in recognition to REIL's efforts in Energy Conservation in Office & BPO Building Category.
- "SCOPE Meritorious Award 2014-15" by Hon'ble President of India, in Research, Innovation and Technology Development category, in April 2017.
- "IEI Industry Excellence Award 2017" in manufacturing and processing category.
- "Best Employer Award" from Employers' Association of Rajasthan (EAR) for the 9th time for its good cordial industrial relations with the employees, Health & Safety Policy and effective Employees' Grievance Redressal Policy.
- "PSE Excellence Award 2016" in R&D, Technology Development and Innovation by Indian Chamber of Commerce.
- "India Pride Award" in Excellence in Mini-Ratna II category by Dainik Bhaskar group.
- "Governance Now PSU Award" in Business Diversification & Adoption of Technological Innovations Categories.
- Rajasthan Energy Conservation Award 2017 in Office Building and Industry Category.

Shri A.K Jain, Managing Director of the Company has been conferred with following awards:

- SCOPE Excellence Award 2014-15 by Hon'ble President of India, for individual leadership in April 2017. The Award carries a citation and cash reward of ₹ 1 lakh.
- Honorary doctorate degree for business administration in Singapore, in recognition of his achievements to empower the people through technology innovation.
- "50 Most Influential Solar Leaders (A Global Listing)" by World Solar Congress for adorable contribution towards growth and development of India economy and society at grass route.
- "Samaj Seva-Jan Sampark Utkrishthta Samman" as recognition of CSR work being done by the Company.
- "Business Leadership Award" instituted by India Achievers' Forum.

QUALITY & RELIABILITY

REIL pursues continual improvement in the quality of its products, services and performance leading to customer delight through commitment, innovation and team work of all employees. REIL is committed to deliver value to its clients through significant investments in quality programmes across the process of delivery. Its integrated quality program drives quality and productivity improvements across the organization, by developing and implementing quality-assurance programmes for the various stages of product realization that includes services to the end consumers. REIL has established & maintained Quality Management System & Environment Management System certified by DNV GL confirming to the International Standards ISO 9001: 2015 & ISO 14001:2015 respectively.

PRODUCTION

The production, during the financial year 2017-2018 amounted to ₹ 167.87 crore, in comparison to previous year ₹ 148.93 crore. The Company has produced 10609 Nos. of Electronic Milk Analysers as compared to previous year 10127 Nos. and 11.12 MW (80026 Nos.) of Solar Photovoltaic Modules as compared to the previous year of 9.35 MW (70028 Nos.).

BUILDING

Construction of building for IT education, training, research & development at Mansarovar, Jaipur is in full swing and during the Year Company has incurred ₹ 1.43 crore on this account. It is expected that Building will be ready for shifting in financial year 2018-19.

DEVELOPMENT OF SUPPORT UNITS & MSMEs

REIL as a policy puts emphasis on development of support industries and is now planning to put more emphasis on rural industrialization. REIL is in close interactions with support industries for their technology up-gradation, which in turn helps in their quality improvement and volume production. REIL is fulfilling all its requirement of raw material and components, required for regular production of Electronic Milk Analyzers and Solar Photovoltaic Modules etc., from support industries.

REIL is regularly developing support industries by advertising in the news papers and participating in the vendor development programmes organized by MSME from time to time. Procurement from MSMEs during 2017-2018 was of ₹ 80.28 crore.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure-A and forms an integral part of this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress the complaints received regarding sexual harassment at workplace.

The following is the summary of sexual harassment complaints received and disposed off during the current Financial Year.

1. Number of Complaints received: Nil
2. Number of Complaints disposed off: Nil

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as sub section (3) (m) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are stated as under:

A. Sustainable Development and Conservation of Energy

The Company is an Electronic Manufacturing Unit with environment friendly processes. Being a pioneer in Renewable Energy sector, Sustainability is embedded in the organization's culture with the objective of aligning the interests of the Company with that of its Stakeholders'. The Company reviews its products & processes and updates to improve upon functional & environmental performance. Periodic testing of environmental parameters is undertaken as per relevant legal requirements to make sure that the processes are operating within the permissible limits.

Besides implementing the Clean Energy initiatives at its premises, the Company also educates its Customers and introduces solutions to improve their energy performance too. The fusion of Solar Photo Voltaics with Dairy Electronics is one such initiative, which has been widely appreciated and accepted Country wide. Over 5100 Solar Powered data Processor Milk Collection Units were installed during the year 2017-18.

The Projects & Impacts

The Company has been taking initiatives for Conservation of Natural Resources. The Company use energy as main resource for its business activities. The efforts have been made to improve upon the energy performance year on year. The continuous efforts have paid rich dividends in the form of significant improvement in energy consumption trends as summarized below and recognition of efforts both at National and State levels. The energy conservation measures undertaken during FY 2017-18 are listed below.

- Installation of occupancy sensor based LED Lights in Office & Utility area thereby improving the Energy Performance Index in Office Area by 49.2% % during the current year (saving of approx 117288 units) as compared to previous year.

- During the year the Company has achieved 0.52% increase in efficiency of 16520.29 CM2 SPV Module size over previous year.

- Specific Energy Consumption in Solar manufacturing improved by 2.6 % in Solar Photo Voltaics

- The Generation from Solar Power Plant capacity 255 KW installed on the roof top was approx 271027 units (approx 9% higher than previous year) out of which 36432 Units were exported to grid.

- **B Technology Absorption and Research & Development**

Innovation and the pursuit of new business opportunities are essential for growth of an Organization. The Research & Development activities of the Company are aimed at achieving the Corporate Mission of meeting the existing & emerging needs of Customers and serve them through development/ marketing and delivery of Quality Products and dependable after sales service. The Company, through its systematic approach, monitors the Pulse of esteemed Customers to identify their needs and convert them into Quality Products. The R&D activities not only target the new development, but improvement in existing products/ processes also to improve productivity and overall performance.

REIL has been providing cost effective solutions in dairy electronics & renewable energy sectors to the country in general and rural masses in particular. The R&D Center-equipped with latest tools & technology based equipment and skilled resources are recognized by Department of Science & Industrial Research, Government of India and is engaged in development of various dairy electronics and solar projects.

Major areas of Operation:

- Project Conceptualization, Design & Development.
- Absorption & Transfer of Technical Know-how.
- Indigenization of the Existing Range of Products.
- Engineering Support to Materials Management, Production and Business Divisions
- Technical Documentation / Project Proposals & Report Generation.
- Management of Design, Drawing & Drafting Section and Technical Library.
- Securing IPR of the company

The following Research & Development activities were undertaken during the year 2017-18.

a) **Remote Monitoring Unit for Solar Water Pumping System**

The system is intended to get live status of the solar powered water pumping systems for Remote Performance Monitoring installed. The status of pump operation and data from sensors are collected regularly at pre-defined time interval and stored for future reference to generate MIS reports/ analysis purpose. The system has been developed on 30.11.2017 and selling of this product has been kicked off.

The main benefit of the RMU is that all Pumps status and operations can be monitored live. All data are available on a localised central server, which can be seen anytime, anywhere. Summary reports like power consumed, water level graphs, flow rate graphs can be generated at the centralised server and can be exported to excel.

b) **Solar Pump Controller for existing AC Pumps:**

The Solar Pump Controller is an AC drive of 0.5 HP to 5.0 HP rating designed to operate with energy drawn from photovoltaic cells (PV). The DSP based control tracks and extracts maximum power form the solar panel so that motor runs at a constant torque for the wide range of intensity of sunlight form morning till evening. The Company has developed and submitted the prototype on 24.11.2017 for certification of Solar Pump Controller for existing AC Pumps.

c) The Solar Hybrid Electric Vehicles Charging Systems:

The Solar Hybrid Electric Vehicles Charging Systems 3 nos. were developed and installed under the FAME Scheme of Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India with the objective to promote Electric Mobility under National Electric Mobility Mission Plan (NEMMP). The project was funded by Government of India.

The Solar Hybrid Electric Vehicles Chargers developed & installed charge the EVs on AC and the charging time varies from 3-7 hrs depending upon the battery status.

SPV Modules are used to convert solar energy to electrical energy through a Power Conditioning unit which feeds the on board charger of EV for charging EV batteries. The solar energy, when not used for charging can be stored in the Battery Bank which can be used after sunset. The on-board charger takes standard ac power supply from charging station and converts into dc which is regulated as per battery requirement.

d) Next Generation DPU (NG-DPU)

The Company has been manufacturing Data processor Unit which is being used for management of complete milk procurement at various Milk Societies. In order to address the need of bulk data storage, touch screen operation, user friendly interface design, Wi-Fi/ Bluetooth connectivity etc, the development of Next Generation Data Processor Unit (NGDPU) was taken up. It has advance features like USB file transfer using USB Protocol to support data transfer through Pen drive, 10/100 base Ethernet port to provide internet connectivity, Real Time Clock (RTC) to maintain timeline of data, GSM/CDMA modem for data connectivity in remote area & live update of transaction on server, serial ports to communicate with other peripherals, USB mouse and capacitive touch LCD for user interaction.

Since the hardware features demand more processing resources, to meet the requirement a dedicated operating system (Linux – Based) is used and application software is developed with feature of SQLite database management, and document processing capabilities.

e) Remote monitoring, control and data acquisition for Bulk Milk Cooler (BMC)

The main objective of the Remote control and data acquisition for Bulk Milk Cooler (BMC) is for better milk management, optimization of chilling cost, power consumption/ production from Solar/Grid/DG and online monitoring for milk temperature & quantity stored at BMC to protect the milk from getting sour.

There is a control mechanism for Compressor/Agitator. The compressor turns ON/ OFF when milk temperature goes beyond prescribed limit. Compressor/Agitator can be turn on/off locally as well as remotely.

Product up gradation

1. Electronic Unit for PCDF Project
2. Sensor based Auto EMT
3. Data processor unit for PCDF Project
4. DPU with bar code reader
5. Milk Stirrer

Certification & Model Approval of Electronic Weigh Scale

The development of Electronic Weigh Scale was completed successfully after rigorous field trials. The Product was submitted to Department of Weight & Measures, Ministry of Consumer affairs, Government of India for Certification & Model Approval. The Company received the Model approval in respect of the product developed and has taken up manufacturing in-house. The in-house manufactured product shall facilitate better after-sales-support, value for money and increased Customer Satisfaction.

Patents & IPR

Securing intellectual property is ensured through filing of IPRs in respect of technologies/ designs developed. The Company has been granted patent for "Smart Auto EMT" this year & filed application for grant of Patent in respect of Next Generation DPU developed through in-house R&D efforts.

ENGINEERING & DOCUMENTATION

The product documentation plays a critical role in ensuring consistency in manufacturing and operation. The R&D

center manages the Document Archive and extends support to various divisions on need basis. Besides above, Engineering activities like re-engineering, cost optimization through development alternate sources, safeguarding the intellectual property of the company etc are also undertaken by the R&D Center. The R&D is also maintaining a library of technical books, journals, standards etc for reference of the developers.

R&D Expenditure

The expenditure on Research & Development (R&D) during the year is as under:

	(₹ in Lakh)
(a) Capital	-----
(b) Revenue	236.02
(c) Total	**236.02**

(d) Total R&D expenditure, as a percentage of total turnover, stood at 0.96 %

Foreign Exchange Earnings and Outgoings

During the year the Company has earned a sum of ₹ 20.55 Lakh in foreign currency. The Company has also used total foreign exchange worth of ₹ 3119 Lakh.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2017-18

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Company's culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating and Monitoring for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Proper business conduct by the Board, Senior Management and Employees.
- Independence and versatility of the Board;
- High degree of disclosure and transparency levels
- Timely disclosure of material, operational and financial information to the stakeholders;
- Recognition of obligations towards all stakeholders shareholders, customers, employees, suppliers and the society;
- Robust systems and processes for internal control.

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general.

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision and mission – **"To be the Leader in the Rural Sector for business area of Dairy Electronics, significant player in Renewable Energy and in related areas of Information Technology applications"** and **"To put in efforts to meet the existing and emerging needs of customers and serve them through developing/marketing and delivery of quality products and dependable after sales service"**

BOARD AND COMMITTEES:

a) Board of Directors:

Your Company is a Government Company under the administrative control of the Ministry of Heavy Industry, Government of India. The Board of Directors has a combination of Executive (Functional) and Non-Executive Directors. As on 31 March, 2018, there were 6 Directors on the Board comprising of one Managing Director and five Non-Executive Directors (including two Independent Directors). During the financial year ended 31st March, 2018, four Board Meetings were held on 30th June, 2017, 24th August, 2017, 27th September, 2017 and 23th January, 2018.

The details of composition of the Board as at 31.03.2018, the attendance record of the Directors at the Board Meeting held during the financial year 2017-18 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 the Director	Category	No. of Meetings attended	Whether attended last AGM held on 27.09.2017	Number of Directorships in other Public Companies	Number of Committee positions held in public companies	
					Member	Chairman
Shri Rajeeva Swarup	Chairman (Part Time) (w.e.f 18.12.2017)	1	N.A.	9	--	--
Ms. Mugdha Sinha	Chairman (Part Time) (Up to 18.12.2017)	3	Present	7	--	--
Shri A.K. Jain	Managing Director	4	Present	NIL	--	--
M.s Anupama Sharma	Director (Part time) (w.e.f 21.08.2017	2	No	1	--	--
Shri Sanjay Solanki	Director (Part time) (Up to 21.08.2017	1	N.A.	NIL	--	--
Shri A. Muralidhar	Director (Part time) (Up to 13.09.2017	1	N.A.	NIL	--	--
Smt. Ritu Pande	Director (Part time) (Up to 24.01.2018	2	Present	6	--	--
Ms. Praveen Gupta	Director (Part time) (w.e.f 24.01.2018	N.A.	N.A.	6	--	--
Shri M.L. Bgargava	Independent Director	3	Present	1	--	--
Shri Nirmal Kumar Jain	Independent Director	4	Present	NIL	--	--

b) Board Procedure:

The meetings of the Board are normally held at the company's Registered Office in Jaipur, Rajasthan and are scheduled well in advance. The Company Secretary, in consultation with the Managing Director, sends a written notice of every Board meeting to each Director. The Board agenda is circulated to the Directors in advance.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. Minimum four Board meetings are held every year. Additional meetings are held to address specific needs, if any, of the Company. 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 Chairman.

c) Board's Responsibilities:

The Board's mandate is to oversee the company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of the shareholders.

d) Audit Committee:

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013.

During the financial year ended 31st March, 2018, three Audit Committee Meetings were held on 30th June, 2017, 24th August, 2017 and 11th January, 2018.

The composition of the Audit Committee and attendance of Directors are given below:

Name of Director	Category	No. of Audit Committee meetings attended
Shri M.L. Bhargava	Chairman	2
Shri A.K. Jain	Managing Director	3
Ms. Anupama Sharma	Director (Part Time)	2
Shri Nirmal Kumar Jain	Director (Independent Director)	3

Broad terms of reference of the Audit Committee:

The terms of reference of the Board Level Audit Committee specified by the Board are in conformity with the requirements of Section 177 of the Companies Act, 2013.

The Power and Role of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
4. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
5. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
6. Review with the management of, the annual financial statements before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Disclosure of any related party transactions; and
   - Qualifications in the draft audit report.
7. Review with the management of the quarterly financial statements before submission to the Board for approval;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

e) Remuneration Committee:

During the financial year Remuneration Committee Meeting was held on 24th August, 2017 and 27th September, 2017.

The composition of the Remuneration Committee and attendance of Directors are given below:

Name of Director	Category	No.of Remuneration meetings attended
Shri M.L. Bhargava	Chairman	2
Ms. Anumama Sharma	Director (Part time)	1
Shri Nirmal K. Jain	Director (Independent Director)	2

f) Other Major Committees of Directors:

The Board has constituted the Committees of Directors and delegated powers and responsibilities with respect to specific purposes. The Committees such as the CSR Committee, SD Committee, R & D Committee, Ethics Committee and Steering Committee having representation of Independent Director(s) Meeting of these have been duly conducted as and when required. Company has a Whistle Blower Policy where no personnel have been denied access to the audit committee.

MANAGEMENT ANALYSIS AND DISCUSSION

The Management discussion and analysis statements are attached to this report.

HUMAN RESOURCE MANAGEMENT:

Your Company realizes the criticality of aligning human resource development initiatives with strategic objectives to achieve organizational goals. Significant steps towards skill development and capability build-up, talent acquisition, development and retention strategies are continuously undertaken for being an employer of choice. Human Resource policies and processes of the company have transformed and evolved over the years in order to stay relevant to the changing environment, enhancement of organizational agility and ensure compliance with the changing rules and regulations from time to time.

At the close of financial year 2017-18 the total number of employees on permanent rolls of the company is 242.The highly engaged and committed workforce ensures rise in productivity levels of the employees taking it to ₹ 100 lakh of revenue per employee in the current financial year. MoU Targets as mentioned below, for the year 2017-18 assigned has been achieved:

a) On-line submission of ACR/APAR in respect of all executives (E0 and above).
b) Succession plan has been approved in 174th Board Meeting of the Company held on 27.09.2017.
c) Conducted DPC for 100 per cent Executives (E-0 and above level).
d) Training programme of one week for 10.71 per cent Executives, on talent management and carrier progression was done in one of the Center of excellence i.e. MNIT, Jaipur.
e) 100% online quarterly vigilance clearance updation for senior executives (AGM & above) has been done during the year.
f) Compliance of DPE guidelines and other directives of DPE in various issues.

Training & Development

Training and Development programs have been an integral part of the Company and it deploys resources with emphasis on continuous learning for its employees. The Company invests and encourages its employees to acquire newer technical as well as behavioral related skills for improving quality, productivity and achieve excellence in their respective areas in order to stay with the change technologies and newer skills. In the financial year 2017-18 a total of 416 Man Days of training have been conducted for officers, supervsors and workers of the company.

In the financial year 2017-18 training was organized for employees internally and externally on various domains like GST and Income Tax, HR Software in Tally, Succession planning for Board level position, Managing Health through Science of Living, Talent Management and Carrier Progression, various aspects of management like Pay Fixation rules, Public Procurement with E-Procurement, EMS & QMS, Right To Information Act, 2005 Record Management Sexual Harassment, Record Management, Human Resource Development, Financial Planning, Money Management, Digitalization, Budget Session, Waste Management.

Promotion of Hindi Language

The Company is continuously making vigorous efforts for the propagation and successful implementation of the Official Language Policy. The Official Language Implementation Committee regularly monitors and reviews the progress. To inculcate the knowledge of official language, training programme on Hindi Typing has been designed and implemented. Various competitions, prizes and incentives were declared by the Company for promoting the use of Hindi language in the fortnight long “Hindi Pakhwada”. Employees from non-Hindi speaking areas are also motivated for the same. The Company has actively participated in the various activities being organized by NARAKAS, Jaipur during the year 2017-18, and organized one Kavi Sammelan also.

The Company has also participated in the meeting of Hindi Salahkar Samiti organised by Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industries, Government of India in Gangtok (Sikkim) on 09.11.2017. During the meeting efforts made by the Company for promoting Rajbhasha Hindi was appreciated by the Hon’ble Minister of Heavy Industries and Public Enterprises and other members.

Corporate Social Responsibility

Your Company believes that Corporate Social Responsibility (CSR) plays a major role in the development of any country. Therefore, it has made CSR an integral part of its ethos and culture. As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the area of rural development and promoting health care. These projects are in accordance with Schedule VII of The Companies Act, 2013 and the Annual Report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013 is placed at Annexure B.

Right To Information Act-2005

The Company has implemented The Right To Information Act, 2005 that became effective from 12th October, 2005. With the coming into effect of the RTI Act, the Company has complied with the provisions of the Act and has placed the details like – name of Public Information Officer (PIO), Assistant Public Information Officer (APIO) and Appellate Authority on its website. The applications are replied within due time and the Act is followed with as per the laid down rules and regulations.

DIRECTORS RESPONSIBILITY STATEMENT :

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

I. that in the preparation of the annual accounts for the financial year ended 31st March, 2018 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

II. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2017-18 and of the profit of the Company for that period;

III. that 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. that the annual accounts have been prepared for the financial year ended 31st March, 2018 on a 'going concern' basis'

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

VI. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

The Comptroller & Auditor General of India (CAG) has appointed M/s R K Malpani & Associates, Jaipur as Statutory Auditors of your Company for the Financial Year 2017-18. The Auditors would be retiring at the conclusion of the Thirty Sixth Annual General Meeting.

The Statutory Auditors for the Financial Year 2018-19 has been appointed by the CAG. However, their remuneration is to be fixed at the AGM by the members.

The Auditor's Report is self-explanatory and do not call for any further comments.

COMMENTS OF C& AG

The review of Financial Statements for the year ended 31st March, 2018 had been carried out by the Comptroller and Auditor General of India (C&AG) under Section 143(6)(a) of the Companies Act, 2013. Review and Comments of C&AG forms part of this report.

COST AUDITORS

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. The Board of Directors has appointed M/s Bikram Jain & Associates, Jaipur as Cost Auditors to conduct the Cost Audit for the year 2018-2019.

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

There was no employee of the Company who received remuneration in excess of the limits prescribed under the Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence the information may be treated as NIL.

APPRECIATIONS & ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the continued co-operation and support extended to the Company by the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors gratefully acknowledge the ongoing co-operation and support provided by Central and State Governments and all Regulatory bodies.

The Board also gratefully acknowledges the support and guidance received from various Ministries of the Government of India, particularly the Department of Heavy Industry, in Company's operations and from Management of Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO), for their continued support and guidance.

The Directors takes it on record the opportunity and guidance provided by Ministry of New and Renewable Energy, Government of India, Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Government of India.

The Directors also express their sincere thanks to the Management of National Dairy Development Board, NDDB Dairy Services, State Milk Federations, Food Safety and Standards Authority (FSSAI), PCDF and all leading brands such as Mother Dairy, Amul, PAAYAS, Nandani, Sanchi, Maahi, Banni, Shreeja etc. and Rajasthan Renewable Energy Corporation Ltd, Rajasthan Horticulture Development Society, Department of Rural Development and Panchayati Raj-Govt. of Rajasthan, Public Health Engineering Department (PHED)-Govt. of Rajasthan, NEDA-Govt. of UP, BREDA- Govt. of Bihar, ONGC, NLC, EIL, CONCOR, PGCIL, SIL, IOCL, MAZGAON DOCK, IIFCL, REC, EPIL, PFC, AAI, Axis Bank and IREDA for their valuable support, assistance and the confidence reposed by them in the Company.

On behalf of your Directors, I would like to place on record our deep appreciation for the hard work, dedication, commitment and solidarity of your Company's employees.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: Jaipur — Sd/-

DATE: 28-09-2018 — **CHAIRMAN**

Annexure to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

a) CORPORATE OVERVIEW

REIL provides technology solutions for qualitative & quantitative analysis of milk across all verticals of Dairy Industry sector through its ON/AT line milk analysis and automation solution addresses needs of the rural and related urban sector through Solar Photo Voltaic and Information Technology & security surveillance applications for e-governance, dairy vertical, small business and Government sectors. The focus is on Shaping Rural India through Electronics, Renewable Energy & IT Solutions.

In the Dairy Electronics, the Company has so far designed, manufactured and deployed 2,20,000 nos. of Electronic Milk Analysis and Automation Systems at various milk plants, milk chilling centres and village co-operative societies through out the country. REIL is into Project Management, designing, manufacturing & deploying Solar Photovoltaic solutions for last three decades and has wide exposure and rich experience. The Company has emerged as significant Off/on Grid Solutions provider.

b) ECONOMY

In 2017, the cyclical upswing underway since mid-2016 continued to strengthen and the global economy witnessed a pickup in growth. The advanced economies witnessed expansion owing to increased investments and manufacturing output. Similarly, key emerging markets and developing economies, including Brazil, China and India, posted strong upward momentum.

India's economy picked up some pace in FY 2017-18 and the gross domestic product growth was better than FY 2016-17. The structural reform of The Goods and Services Tax (GST) is expected to provide a boost to the economic growth and investments in the long run. With an improving business ecosystem, stable macroeconomic indicators and a liberal FDI regime, foreign capital inflow has provided impetus to the domestic economy. According to World Bank's Global Economic Prospects report, India's GDP is expected to rise to 7.4% in FY 2018-19 and 7.8% in FY 2019-20.)

C) INDUSTRY OVERVIEW

Due to resurgence of the Indian economy Companies are now focusing more on their core business objectives, such as revenue growth, profitability and asset efficiency.

The 'Make in India' program has been launched by Hon'ble Prime Minister of India to place India on the world map as a manufacturing hub and has given global recognition to the Indian economy. Sustained growth in manufacturing sector also depends on vertical as well as back and forth integration alignment with large size opportunities. Under National Dairy Plan there is large potential over next 5 years towards infrastructure for Milk Production, Processing and Marketing.

d) OPPORTUNITIES

- The National Dairy Plan (upto 2022) offers potential of about ₹ 200 Crore, for dairy equipment, over the next 5 years, against a total outlay of ₹ 15,216 Crore towards infrastructure for Milk Production, Processing and Marketing.
- The Cabinet Committee on Economic Affairs (CCEA) approved Dairy Processing & Infrastructure Development Fund (DIDF) Scheme with an outlay of ₹ 10,881 crore to boost dairy sector. It will also support installation of 28000 Bulk Milk Coolers (BMCs) along with electronic milk adulteration testing equipment.
- "Error free dairying" is new concept for producers companies. Creating opportunity for GPRS based DPMCU and upgradation of existing more than 10,000 units as well as for new villages.
- Expansion of market for EMT/Milk analyzer (multi parameter) in new areas.
- Enforcement of FSSAI law for offers huge demand for the Company's product (Electronic Milk Adulterant Tester).
- Product upgradation market for DPMCU/SDPMCU/ AMCU in all existing societies which have EMT only.
- Application of SPV power packs to power DPMCU/ SDPMC/AMCU at primary milk collection centers, to expand Renewable Energy sector business.
- On/At line Milk Analysis (hygiene and safety) and Automation in Dairy Plants.

- Potential for Infrastructure development in Cold Milk Chain.
- Skilling the youth in the areas of Information technology/ Electronics/Solar photovoltaic manufacturing under the “Skill India Mission”
- Government of India has undertaken an ambitious target of 1,00,000 MW Solar Power by the year 2022 out of this 40000 MW is through Solar Rooftop system.
- Off- Grid projects for Rural Electrification.
- Opportunity in SPV business in PSU, Industry and Academic Institutions for their captive use.
- Improved Renewable energy policy of Government of India offer opportunity in large MW size SPV Power Plants.

e) FUTURE PLAN OF ACTION

We seek to further strengthen our position as a lead role player in dairy business and significant player in solar business with a forward-looking approach and future-centric growth strategy, REIL shall continue to make strategic investments in Research & Development, Manufacturing Capabilities, Diversification, Distribution, Marketing, Human Resource Development, project implementation capabilities and IT , in order to consolidate and expand its premier position and ranking in the industry. To achieve these goals, the Company seeks to:

- Expand the customer base by approaching the private sector organizations entering into dairy industry and engaged in procurement of milk directly from the milk producers.
- Address similar needs of neighboring countries through structured efforts at overseas marketing.
- Make additions to the product portfolio through in-house development efforts and collaborative efforts at obtaining technology from external sources. The additions would include SNF Tester, high-end milk/ milk-product analysis equipments and bacterial content measuring equipments.
- Expanding market for the new products like:
    - Low Cost Milk analyzers in collaboration with any suitable agency
    - REIL Electronic Weighing
    - SPV Power back up system for DPMCU/ SDPMCU/AMCU.
- Up gradation of existing product i.e. DPU/SDPMCU
- To find a suitable technology partner for milk cold chain requirements & RFID Based Animal identification system.
- More products to launch to fill critical gaps in C2C like RFID based Animal identifications & database management system, e-sealing, Vehicle tracking system, SCADA, BMCs, MDTs etc.
- Developing channels for export.
- Strategic partnership for timely procurement of raw material such as cells, EVA, Tedlers etc.
- Tie-ups with rural banks for facilitating finance for rural consumers.
- Exploration of Urban Market for rooftop SPV System.
- Exploit potential for MW size power plants across the country.
- Development of Low Cost SPV Systems as per specific requirement of customers.

f) OUTLOOK, RISKS AND CONCERNS:

This section contains forward looking statements that involve risks and uncertainties. The following list is outlook, risks and concerns:

- Intermittent dip in market share due to competition from low cost Milk Analyzer manufacturer/traders.
- Diverse paradigms in the Dairy Sector.
- Gaps in product range and slower pace of upgradation impacting the market share in dairy sector.
- Dependence on competitors for Solar Cells.
- Entry/exit of new manufacturing units with ultra modern very high capacity crystalline cells and PV module manufacturing facilities, who have price advantage due to economies of scale.
- Entry/exit of new competitors/channel partners from unorganised sector with low-cost thin film technology PV module.
- Substantial reduction & sometimes inconsistent reduction in the prices of wafers, cells, modules and systems.
- Cash flow imbalances due to delay in realizations/debt turning risky, from larger buyers with sanctioned plans but exceptional delay in flow of funds.
- Wide volatility in exchange rates resulting in mismatching of input and output ratio as well as postponement of purchase decisions of the customers.
- Large Project business not picking up as expected.
- Continued dumping of modules by China, Taiwan etc., at very low prices.
- Retention of funds towards long terms performance guarantee for 5/10 years.
- Delay & hindrances in implementation of net meterinpolicy.

As the Indian economy continues to grow, the outlook for the sector is quite optimistic with ample market opportunities available for us.

g) Internal control system and its adequacy:

The Company's internal control system ensures efficiency, reliability, completeness of accounting records and timely preparation of reliable financial and management information. In addition, it also ensures compliances of all applicable laws and regulations, optimum utilisation and protection of the Company's assets. 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 system are in order, regular and exhaustive internal audit of various divisions are conducted by experienced firm of Chartered Accountants. Internal control system ensures complete compliance with laws, regulations, standards and internal procedures and systems.

In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

h) Risk management report:

Overview

REIL's Risk management Plan plays a key role in supporting the business to deliver sustainable growth and generating value for its customers, investors, employees and other stakeholders. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

Risks in REIL's business are reviewed across the following categories.

- **Strategy:** Risks relating to the strategies, we formulateon markets, resources and business model.
- **Industry:** Risk related to the industry changes incluincompetitive structure, technological advancement, economic environment and regulatory structure.
- **Resources:** Risk arising from inappropriate utilization of key resources such as human resource, capital and infrastructure.
- **Operation:** Risk related to operations of the Company such as acquisition of client, service delivery and business support activities.
- **Counterparty:** Risk arising from our association with entities like clients, vendors etc.

Risk Management Practices- The key risk management practices include the following reporting process.

- Risk Identification and Assessment
- Risk Evaluation
- Risk Reporting and Disclosures
- Risk Mitigation and Monitoring
- Integration with Strategy and Business Plan

Risks are governed by the Board of Directors, Managing Director and the heads of concerned departments.

i) Analysis and Review

The Electronics & Information Technology Division:

a) Electronics:

The Electronics division is holding the most prominent position in the Dairy Industry through its customer focused approach by way of ensuring prompt products deliveries and after sales support. Besides achieving business targets, the focus of the division has been to satisfy its esteemed customers.

The division continuously provides best services to its customer through deployment of accurate and reliable testing equipment at village level / milk collection centre in the villages and strategically manpower deployment throughout the country. This has helped the company to obtain a trustworthy position in the dairy industry. It has developed lot of trust in milk producers and thus REIL products has become a vital equipment during all round growth of dairy industry.

Division has contributed in Government's "Digital India" Mission by way of incorporating more than 5000 such units GPRS in existing DPU based MCU to bring more transparency among the milk producer and the producer company.

Division has worked with R&D for use of Solar and IT and merging them for dairy electronic and deployed GPRS based Solar Data Processor Milk collection unit.

The division achieved a turnover of ₹ 114.65 crore during the year 2017-18 and deployed app. 19611 Milk analyser and automation solutions including Electronic Milk Testers

(EMT), Electronic Milk Adulteration Tester (EMAT), Milk Analysers, Auto-EMT, Automatic Milk Collection Units (AMCU), DPU based MCU, SPV Based DPU MCU, Raw Milk Reception Dock (RMRD), Integrated Milk Management Software, Vehicle tracking systems, Electronic Weigh Scales etc.

Division also received orders under National Dairy Plan (NDP), which comprise of 722 nos. of AMCU and 300 nos. of SPV based DPMCU from various EIA (End Implementing Agency) across the country.

The division has also deployed 396 nos. of Electronic Milk Adulteration Tester (EMAT) and Electronic Milk Adulteration Tester with analyser (EMAT+). It is an ideal low cost solution to discriminate between genuine and spurious milk.

The deployment of dairy electronics products is increasing every year. With a population of 1,19,000 nos. of Electronic Milk testers/Auto EMT(s), 56000 nos. of DP / DPEMT / DPMCU / AMCU/ DPU Milk Collection Stations & 42000 nos. Milk Analyzers, the company is virtually leading the market.

The division remains in touch with customers through its Regional Offices & Field Maintenance Centers strategically located all over the country to provide prompts after sales support. Regional Coordination Group at Headquarters provides backup support to the field network.

b) Information Technology:

The Company has successfully executed and provided the desired services upto the satisfaction as State Level Agency (SLA) to the Election Department, Rajasthan for five year from June 2012 to June 2017 for Electoral Rolls Management Systems (ERMS) and Electoral Photo Identity Cards (EPIC) data management for around 4.75 Crore voters of the state of Rajasthan as per guidelines of Election Commission of India (ECI). The Company is re-appointed as SLA for providing technical support worth ₹ 1.72 Crore for next five years for 200 Assembly constituencies for the state of Rajasthan. The Company has successfully generated the photo electoral roll for by-poll election -2017 of Ajmer, Alwar Parliamentary constituency and Mandalgarh Assembly constituency for conduction of election.

The Company has successfully completed the examination activities of data processing of Registration forms & Examination forms, generation of Hall tickets, secrecy work for evaluation of answer sheets, OMR sheet processing for preparation of result, various reports, and delivery of certificates of Secondary and Senior Secondary students for Rajasthan State Open School, Jaipur.

In continuation to the order for digitization and Indexing of photo negatives (Black & White and Color) of Department of Information and Public Relations (DIPR), Government of Rajasthan additional 1 Lakh photo negatives were digitized, indexed, enhanced and delivered to DIPR.

The division has successfully implemented application software at Jaipur Primary Land Development Bank (PLDB) and its 6 branch offices and provided training for all the modules namely Customer Relation, Loan Disbursement Module, Loan Recovery Module, Legal Cases Module, Finance & Accounting Module, Inventory, Payroll & Human Resource Module at Jaipur Head Office and its 6 branch offices at Shahpura, Chomu, Chaksu, Jaipur, Phagi and Sambhar.

The Company has received new order from Directorate of Gopalan, Government of Rajasthan for design, development design, developed and implementation of Integrated Online Web based Application for Gaushalla Registration, Aid Management, Aid transfer to Gaushalla integrated with SSO ID and revamping of web portal of the Department.

The Company has received repeated order from Gomati Cooperative Milk Producer's Union Limited, Tripura for Annual Maintenance Support for Milk Delivery Terminal and Host PC software. The Company has also received order from Election Department Rajasthan for security audit of their website and Online Electoral Roll Management Software.

During the year the division has successfully executed and supplied the Computer hardware against the order received from Rajasthan State Commission for Women, Government of Rajasthan.

The division has also conducted the IT Industrial training for the Engineering students of the Computer Science and Information Technology.

Renewable Energy & New Project Division:

a) Renewable Energy:

During the year RE Division achieved turnover of ₹ 127.91 crore in Renewable Energy Products.

Company is working in the area of Rooftop Solar business with Net metering policy. During financial year projects of approximately 2 MWp SPV Rooftop systems were executed by the company. Apart from this company has also received orders to the tune of ₹ 6.50 Crore under Smart City Mission from Jaipur Smart City Limited for Jaipur.

Company has executed order of ₹ 24 Crore approximately for 1 kWp SPV Power Pack from Bihar Renewable Energy Development Agency, Bihar.

In continuation to projects executed in UP, Company has executed project for 581 nos. of RO systems for UPNEDA for installation in schools

Company has continued execution of CSR business in PSUs. Some of the PSU's include PFC, GAIL, IIFCL, NHPC, EIL and IREDA. Apart from this, company has also added private companies in its list of CSR projects. Big project from Axis Bank and Syngenta has been executed in the financial year. More than 9000 Nos. SPV SLSs were supplied and installed under CSR business.

The Company executed order for solar water pumps for drinking purpose for PHED, Govt. of Rajasthan apart from solar pumping business in agriculture segment and deployed 400 nos. SPV Water Pumping system in various Districts.

The Company has executed projects for providing hybrid SPV Power Plant at 22 court complexes across the State of Rajasthan Company has also executed projects for providing rooftop SPV Power Plants at 25 offices of RIICO in the state of Rajasthan

During the year company as executed a prestigious project of providing 1 MWP SPV Power Plant on various platform of Varanasi Railway Station

b) New project:

The Company has been operating in the Business Sectors of Agro Dairy Electronics and Renewable Energy for over three decades and providing products/ services to meet their expectations. New Projects division was set up with the objective of indentifying new business opportunities, carry out pilots and transfer to the respective business group. The division successfully completed following projects.

The Company as Project Management Consultant (PMC) & Annual Maintenance Consultant (AMC) for EESL has facilitated successful replace of 3.04 Lakh LED lights in 17 ULBs of Rajasthan.

The Company received and executed an order for "Live Webcasting of sensitive / hyper sensitive examination centres through CCTV surveillance system from Board of Secondary Education Rajasthan, Ajmer. A total 4581 Nos. cameras were installed at 325 centres.

Another order for "Live Webcasting of polling booths" through CCTV surveillance system was received from Election Department, Rajasthan. A total of 313 Nos. cameras were installed at Assembly constituencies during the Bye-Election in Rajasthan.

During the year the Company has signed an MOU with Transport Department, Government of Rajasthan for implementation of the project "Computerized Networking of the Pollution Under Control (PUC) centres in Rajasthan". Total 8.95 Lakh vehicles were tested and certificates generated through online CPUCC. The data of these vehicles are available on server and are used for monitoring and issue of reminders as & when the next test is due. This is a unique project and Rajasthan is the only state where it has been implemented in all the districts.

The Company had received order from Jaipur Nagar Nigam to deploy 100 nos. Biometric Time Attendance Machines for proper monitoring of the civic employees of all ward of Jaipur city. All machines are equipped with the latest facial recognition technology to ensure proper monitoring.

REIL in its role as Independent Engineer, verification of assert marking and baseline survey of street lights of Jaipur Nagar Nigam was successfully audited for 86258 nos. LED street light points.

SYSTEMIC IMPROVEMENT

Improved the visibility and business presence of the Company, achieved sales target while working for larger territorial footprint, wider customer base and more high-value projects. The systemic and project-oriented disposition ensures all-round focus (financial, timeliness, cost controls, customer satisfaction etc.) to the task/large projects at hand to the benefit of the organization.

Annexure-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS

I.	CIN	U51395RJ1981GOI002249
II.	Registration Date	12th June, 1981
III.	Name of the Company	RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
IV.	Category / Sub-Category of the Company	Central Public Sector Enterprise /Company Limited by shares
V.	Whether listed company Yes / No	No
VI.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

SL. No.	Name and Description of main products/services	NIC Code of the product/ service *	% to total turnover of the Company
1.	Dairy Agro Electronics Equipment such as EMT, EMAT, DPMCU, Milk Analyser, and AMCU	265 - Manufacture of measuring, testing, navigating and control equipment	47.27
2.	Solar Photovoltaic Modules Systems.	351- Electric power generation, transmission and distribution	52.73

** As per National Industrial Classification – Ministry of Statistics and Programme Implementation*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable section
1.	Nil	Nil	Nil	Nil	Nil	Nil

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a)Individual/HUF									
b) Central Govt	0	0	0	0	N.A	6247500	6247500	51	51
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI	N.A.	12250000	12250000	100%	N.A.	6002500	6002500	49%	(-)51
f) Any Other….									
Sub-total (A) (1):-	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
(2) Foreign									
a) NRIs -Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other….									
Sub-total (A) (2):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
TOTAL SHAREHOLDING OF PROMOTER (A) = (A) (1) + (A)(2)	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
B. Public Shareholding									
1. Institutions	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00

2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto ₹ 1 lakh ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh c) Others Sub-total (B)(2):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
Grand Total (A+B+C)	**N.A.**	**12250000**	**12250000**	**100%**	**N.A.**	**12250000**	**12250000**	**100%**	**0.00**

(ii) Shareholding of Promoters

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Instrumentation Limited, Kota	6247500	51	-	0	0	-	**(-)51**
2	The President of India	0	0	-	6247500	51	-	**(+)51**
3	Rajasthan State Industrial Development & Investment Corporation Ltd. Jaipur	6002500	49	-	6002500	49	-	**-**
	Total	**12250000**	**100**		**12250000**	**100**	**-**	**-**

(iii) Change in Promoters' Shareholding as on March 31, 2018 (Please specify, if there is no change)

Name	Shareholding at the beginning of the year (As on 01-04-2017) No. of shares	% of total shares of the company	Date	Increase/ Decrease in Sharehol ding	Reason	Cumulative areholding during the year (01-04-2017 to 31-03-2018) No. of shares	% of total shares of the company
Instrumentation Limited, Kota	6247500	51				6247500	51
			16.05.2017	-6247500	Share Transfer to The President of India	6247500	51
At the beginning of the year (31.03.2018)						0	0
Rajasthan State Industrial Development & Investment Corporation Ltd. Jaipur	6002500	49	No Change			6002500	49
The President of India	0	0	16.05.2017	6247500	Share Transfer by Instrumentation Limited	6247500	51
At the End of the year	0	0				6247500	51

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
At the beginning of the year	NIL			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the End of the year (or on the date of separation, if separated during the year)				

(v) **Shareholding of Directors and Key Managerial Personnel**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
At the beginning of the year	NIL			
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):				
At the End of the year				

V. INDEBTENDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	110.54	Nil	Nil	110.54
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**110.54**	**Nil**	**Nil**	**110.54**
Change in Indebtedness during the financial year				
• Addition	326.14	Nil	Nil	326.14
• Reduction	50.00	Nil	Nil	50.00
Net Change	276.14	Nil	Nil	276.14
Indebtedness at the end of the financial year				
i) Principal Amount	386.68	Nil	Nil	386.68
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**386.68**	**Nil**	**Nil**	**386.68**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakh)

SL. No.	Particulars of Remuneration	Name of Managing Director
		Shri A.K Jain
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	29.45 3.02
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify…	-
5.	Others i.e. PF and Pension	2.40
	Total (A)	**34.87**

B. Remuneration to other Directors:

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Name of Directors	
		Shri M.L. Bhargava	Shri Nirmal KumarJain
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0.27	0.38
	Total (1)	0.27	0.38
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	0.27	0.38
	Total Managerial Remuneration		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakh)

S.L No..	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO (Shri Sub-hash Agrawal)	Company Secretary (Shri Amit K. Jain)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Not Applicable	19.53	7.10	26.63
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit - others, specify…		-	-	-
5	Others i.e. PF and Pension		1.66	0.62	2.28
	Total		21.19	7.72	28.91

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 Punishment Compounding	NIL				
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

Annexure-B

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Corporate Social Responsibility in REIL is a continuing commitment to behave ethically and contribute to harmonious and sustainable development of society and planet, through business, while improving the quality of life of the community and the society. A gist of the programs that the Company can undertake under the CSR policy is mentioned on Company's website.
2.	The composition of CSR Committee.	Shri M.L. Bhargava, Chairman Shri A.K. Jain, Member Ms. Anupama Sharma, Member Shri Nirmal Kumar Jain, member
3.	Average net profit of the Company for last three financial years	₹ .1870 Lakh
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	₹ 37.40 Lakh
	Amount unspent (brought forward from previous year)	₹ 17.59 Lakh
	Total amount to be spent for F.Y. 2017-18	₹ 54.99 Lakh
5.	Details of CSR spent during the financial year:	
	a. Total amount to be spent for the financial year	₹ 49.14 Lakh
	b. Amount unspent (carried forward)	₹ 5.85 Lakh
	c. Manner in which the amount spent during the financial year	Attached

Details of Amount Spent on CSR Activities During The Financial Year 2017-18 (In ₹Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programmes (1) Local Area or other (2) State or District where Projects or Programme was undertaken*	Amount Outlay (Budget) Project or Programme wise (in ₹)	Amount Spent On The Project Or Programmes Subheads: (1) Direct Expenditure On Projects Or Programs (2) Overheads (In ₹)	Cumulative Expenditure up to the Reporting Period (in ₹)	Amount Spent: Direct or through Implementing Agency (in ₹)
1.	CSR Fair by MoHI&PE, DHI	Administrative Expenses	New Delhi	300000.00	234089.00	234089.00	Direct
2.	Engagement of Apprenticeship under Apprenticeship Act	Training/ Education	Jaipur (Rajasthan)	1665000.00	2725131.00	2959220.00	Direct
3.	Deployment of Solar Powered Water Pumping System **(02 Nos.)**	Renewable Energy/ Solar/ Health	Jaipur (Rajasthan), Tonk (Rajasthan)	1775000.00	505000.00	3464220.00	Direct
4.	Deployment of Stainless Steel Group Hand Wash-basin/ Shrink **(06 Nos.)**	Swachh Bharat Abhiyan	Tonk (Rajasthan) and Jaipur (Rajasthan)		148673.00	3612893.00	Direct
5.	Organized Free Medical/ Health Camp **(01 No.)**	Medical/Health	Jaipur (Rajasthan)		18845.00	3631738.00	Direct
6.	Deployment of SPV LED Street **Lights (50 Nos.)**	Renewable Energy/ Solar	Ratnagiri (Maharshtra)		1282600.00	4914338.00	Direct

6. In case the Company has failed to spend two percent, of the average net profit of the latest three financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

   During the year Company has incurred CSR expenditure of ₹ 49.14 Lakh against required amount of ₹ 37.40 Lakh, after adjusting carry forward balance of 2016-17 of ₹ 17.59 Lakh balance of ₹ 5.85 Lakh remains unspent, due to some of the programmes in the areas of healthcare, education and promoting employability are multiyear project and will be incurred in next year.

7. The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company

   'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Sd/-
(Managing Director)

Sd/-
(Chairman of CSR Committee)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013, ON THE FINANCIAL STATEMENTS OF RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR, FOR THE YEAR ENDED 31ST MARCH, 2018

The preparation of financial statements of Rajasthan Electronics & Instruments Limited, Jaipur for the year ended 31 March, 2018 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 Revised Audit Report dated 12.09.2018 which supersedes their earlier Audit Report dated 24.08.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Rajasthan Electronics and Instruments Limited, Jaipur for the year ended 31 March 2018 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. The Audit Report has been revised by the statutory auditor to give effect to one of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Financial Position

Balance Sheet

A.1 Equity and Liabilities

Current and Non-Current Liabilities

Provisions-Note 16A- ₹ 0.27 crore

Provisions-Note 16B- ₹ 7.16 crore

(i) Department of Public Enterprise vide order dated 14.08.2017 circulated Cabinet decision on revision of pay of Executives and Non-Unionized Supervisors of Central Public Sector Enterprises w.e.f. 1.1.2017. Accordingly, Company with the approval of its Board of Directors adopted a unified fitment of 15 percent and provided liability towards pay arrear in its books of accounts. However, the Company provided unrevised data of salary to the Actuary for valuation of employee benefits liabilities (Earned leave, Half pay leave and Gratuity), which has resulted in understatement of `provisions' and overstatement of `Profit'. The amount could not be quantified as Audit is unable to work out the same.

(ii) Above does not include an amount of ₹ 0.31 crore payable as employer's contribution towards employee provident fund @ 12% of basic pay plus dearness allowance. As the Company has provided liability for pay revision arrears for the period January 2017 to March 2018, the corresponding liability towards provident fund contribution should also have been made as on 31 March 2018.

This has resulted in understatement of Provisions and overstatement of Profit by ₹ 0.31 crore each as on 31 March 2018.

A.2 Equity and Liabilities

Current Liabilities

Provisions-Note 16B- ₹ 7.16 crore

Above does not include an amount of ₹ 0.72 crore towards employee benefit obligation (Earned Leave Encashment) as on 31.03.2018. As on 31 March 2018, the company has a fund balance of ₹ 8.38 crore in its Group leave encashment plan (taken from Life Insurance Corporation of India towards employee benefit obligation – Earned Leave Encashment), against the total liability of ₹ 7.66 crore as per actuarial valuation. The excess of fund balance over liability i.e. ₹ 0.72 crore (₹ 8.38 crore – ₹ 7.66 crore) has been netted off from the provisions, instead of showing it as current assets. This has resulted in understatement of Current Assets and provision by ₹ 0.72 crore each as on 31 March 2018.

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

Sd/-
(Nandana Munshi)
Director General of Commercial Audit
and Ex-Officio Member, Audit Board-II,
New Delhi

Place: New Delhi
Dated: 26.09.2018

REVISED INDEPENDENT AUDITOR'S REPORT

To the Members of

RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR.

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profits (financial performance including other comprehensive income) cash flows and changes in equity of the company in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies(Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

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

Other Matter

The Ind-AS financial statements of the Company for the year ended March 31, 2017 included in these Ind-AS financial statements have been audited by predecessor auditor who expressed an unmodified opinion on those statements on 24.08.2017.

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-I** a statement of the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(5) of the Act, we give in the **Annexure-II** the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and financial statements of the Company.

3. As required by section 143(3) of the Act, we further 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 purpose of our audit;

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

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

d) in our opinion, the aforesaid Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ;

e) Being a Government Company pursuant to notification no. G.S.R. 463(E) dated June 5 2015, issued by Government of India, provisions of Section 164(2) of the Act regarding disqualification of directors is not applicable to a Government Company.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **“Annexure III”.**

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements-Refer Note 21.1 (b) & (c) and 36(G) to the financial statements;

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

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

For **R. K. Malpani & Associates**
Chartered Accountants
(FRN. 002759C)

Sd/-
(Jagdish Bhalia)
Partner
Membership No. 409276

Place: Jaipur
Date: 12.09.2018

ANNEXURE I REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Rajasthan Electronics & Instruments Limited **(the Company)**

(i) On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

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

(b) Fixed Assets has been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management the title deeds of immovable properties included in fixed assets are held in the name of the company.

(ii) In our opinion and according to the information and explanations given to us, the inventory has been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted deposits from the public in terms of the provisions of sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014,(as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electrical goods and electronics machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, service tax, custom duty, excise duty, value added tax, goods and service tax, cess and any other statutory dues, as applicable, with the appropriate authorities in India.

(b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues in arrears as at March 31,2018 for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of Service Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Name of Statute	Nature of the Dues	Disputed Amount (₹ In Lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Service Tax	3.82	F.Y. 2009-10 (vide order dtd.24-07-12)	Commissioner (Appeal) Jaipur

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised.

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

(xi) Provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to Government Companies.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and on an overall examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirement under clause 3(xiv) are not applicable to the company and hence not commented upon.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non–cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **R. K. Malpani & Associates**
Chartered Accountants
(FRN. 002759C)

Sd/-
(Jagdish Bhalia)
Partner
Membership No. 409276

Place: Jaipur
Date: 12.09.2018

ANNEXURE II TO THE REVISED INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of even date to the members of Rajasthan Electronics & Instruments Limited on the standalone Ind AS financial statements for the year ended 31st March 2018.

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013, indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Rajasthan Electronics & Instruments Limited for the year ended 31st March, 2018:-

Sl. No.	Directions	Action Taken	Impact on Ind AS Financial Statements
1	Whether the Company has clear title/ lease deeds for free-hold and leasehold respectively? If not, please state the area of freehold and lease hold land for which title/ lease deeds are not available?	Based on the audit procedures performed by us and as per the information and explanation given to us, the Company has clear title deeds for lease hold land.	NIL
2	Whether there are any cases of waiver/ write off of debtors/loans/ interest etc., if yes, the reasons there for and the amount involved.	According to the information and explanations given to us, there are no material cases of waiver/write off of debts/ loans/interest etc. However, in the normal course of business there are cases of waiver/write off etc. which are based on the facts of each case and specific approval (provision only). Details of provision during the year is as under: Particulars — ₹ In Lacs Provision for Doubtful Debts — 90.22 **Total — 90.22**	NIL
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Govt. or other authorities.	Based on the audit procedures performed by us and as per the information and explanation given to us, proper records are maintained for inventories lying with third parties and also for assets received by the Company as gift / grants from government or other authorities.	NIL

For R.K. Malpani & Associates
Chartered Accountants
FRN 002759C

Sd/-
(Jagdish Bhalia)
Partner
Membership No. 409276

Place: Jaipur
Date: 12.09.2018

ANNEXURE III TO THE REVISED INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED.

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 **RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 the Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R. K. Malpani & Associates**
Chartered Accountants
(FRN. 002759C)

Sd/-
(Jagdish Bhalia)
Partner
Membership No. 409276

Place: Jaipur
Date: 12.09.2018

BALANCE SHEET
AS AT 31st MARCH 2018

(All amounts in ₹, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
I. Non-current Assets			
(a) Property, plant and equipment	**4**	19,49,71,698	20,64,58,754
(b) Capital work-in-progress	**4**	9,24,13,845	7,81,24,877
(c) Intangible assets			
(i) Technical Know How	**5**	1,29,305	2,47,192
(d) Financial assets			
(i) Trade receivables	**6**	6,50,93,888	2,79,90,773
(ii) Other financial assets	**8A**	62,65,395	66,10,026
(e) Other non-current assets	**11A**	33,62,799	1,61,231
Total Non-current Assets		**36,22,36,930**	**31,95,92,853**
II. Current Assets			
(a) Inventories	**9**	21,09,49,299	21,58,31,838
(b) Financial assets			
(i)Trade receivables	**7**	2,32,11,79,570	1,62,80,40,822
(ii) Cash and cash equivalents	**10**	2,77,17,017	5,41,53,761
(iii) Bank balances other than (ii) above	**10**	3,24,53,352	11,17,96,451
(iv) Other financial assets	**8B**	4,00,12,673	2,70,80,685
(c) Other current assets	**11B**	2,20,47,429	4,14,70,422
Total Current Assets		**2,65,43,59,340**	**2,07,83,73,979**
Total Assets (I + II)		**3,01,65,96,270**	**2,39,79,66,832**
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	**12**	12,25,00,000	12,25,00,000
(b) Other Equity	**13**	97,10,53,021	98,46,64,520
Total Equity		**1,09,35,53,021**	**1,10,71,64,520**
LIABILITIES			
II. Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**14**	2,08,09,580	10,47,579
(b) Provisions	**16A**	26,95,046	28,21,332
(c) Deferred tax liabilities (Net)	**17**	67,10,006	2,72,22,791
(d) Other non-current liabilities	**18A**	7,40,15,317	4,34,63,661
Total Non-current Liabilities		**10,42,29,949**	**7,45,55,363**
III. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	**19**	1,45,85,45,354	88,11,72,829
(ii) Other financial liabilities	**15**	2,84,36,596	2,71,49,239
(b) Provisions	**16B**	7,15,54,721	1,72,51,178
(c) Current tax liabilities (Net)	**20**	37,03,468	53,97,458
(d) Other current liabilities	**18B**	25,65,73,161	28,52,76,245
Total Current Liabilities		**1,81,88,13,300**	**1,21,62,46,949**
IV. Total Liabilities (II + III)		**1,92,30,43,249**	**1,29,08,02,312**
Total Equity and Liabilities (I + IV)		**3,01,65,96,270**	**2,39,79,66,832**

See accommpanying notes to the Financial Statements (1-36)

As per our report of even date attached
For & on behalf of **R.K. Malpani & Associates**
Chartered Accountants
FRN 002759C

Sd/-
Jagdish Bhalia
Partner
Membership No. 409276
Place : Jaipur
Date : 24-08-2018

For and on behalf of the Board

Sd/-
(Anupama Sharma)
Director

Sd/-
(A.K. Jain)
Managing Director

Sd/-
(Amit Kumar Jain)
Company Secretary

Sd/-
(Subhash Agrawal)
Addl. Gen. Manager (Fin.)

STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31st MARCH, 2018

(All amounts in ₹, unless otherwise stated)

Particulars		Notes	As at March 31, 2018	As at March 31, 2017
I.	Revenue from Operations	22	2,42,87,72,094	2,30,36,59,784
II	Other income	23	1,92,22,467	2,66,89,958
III.	**Total Income (I + II)**		**2,44,79,94,561**	**2,33,03,49,742**
IV.	**Expenses**			
	Cost of material consumed	24	1,53,28,79,109	1,43,37,50,394
	Change in inventories of finished goods and Work-in-progress	25	(48,42,769)	(9,84,882)
	Employee benefits expense	26	33,51,74,874	25,63,94,334
	Excise Duty		31,62,941	1,87,06,300
	Finance costs	27	1,07,47,966	1,82,94,991
	Depreciation and amortisation expenses	28	1,88,13,099	1,83,26,425
	Other expenses	29	48,98,14,319	41,21,21,216
	Total expenses		**2,38,57,49,539**	**2,15,66,08,778**
V.	Profit before tax		**6,22,45,022**	**17,37,40,964**
VI.	**Less: Tax expense**	30		
	1. Current tax		4,53,44,846	6,14,70,050
	2. Deferred tax		(2,32,64,394)	(92,14,247)
	Total Tax Expense		**2,20,80,452**	**5,22,55,803**
VII.	**Profit for the year (V - VI)**		**4,01,64,570**	**12,14,85,161**
VIII.	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		79,50,790	(30,24,588)
	B (i) Income tax relating to items that will not be reclassified to profit or loss		(27,51,609)	10,46,749
	Total other comprehensive income (VIII=A (i)+B(i))		**51,99,181**	**(19,77,839)**
IX.	**Total comprehensive income for the year (VII+VIII)**		**4,53,63,751**	**11,95,07,322**
	Earnings per equity share	31		
	(1) Basic (in ₹)		3.70	9.76
	(2) Diluted (in ₹)		3.70	9.76

See accommpanying notes to the Financial Statements (1-36)

As per our report of even date attached
For & on behalf of **R.K. Malpani & Associates**
Chartered Accountants
FRN 002759C

Sd/-
Jagdish Bhalia
Partner
Membership No. 409276
Place : Jaipur
Date : 24-08-2018

For and on behalf of the Board

Sd/-
(Anupama Sharma)
Director

Sd/-
(A.K. Jain)
Managing Director

Sd/-
(Amit Kumar Jain)
Company Secretary

Sd/-
(Subhash Agrawal)
Addl. Gen. Manager (Fin.)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(All amounts in ₹, unless otherwise stated)

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash flows from operating activities**		
	Profit for the year	4,53,63,751	11,95,07,322
	Adjustments for:		
	Income tax expense recognised in profit or loss	2,20,80,452	5,22,55,803
	Other Comprehensive Income	(51,99,181)	19,77,839
	Finance costs recognised in profit or loss	1,07,47,966	1,82,94,991
	Interest income recognised in profit or loss	(1,36,45,325)	(1,34,89,296)
	Loss/(profit) on disposal of property, plant and equipment	-	(5,232)
	Depreciation and amortisation	1,88,13,099	1,83,26,425
	Cash generated from operations before working capital changes	**7,81,60,762**	**19,68,67,852**
	Movements in working capital:		
	(Increase) / Decrease in trade receivables	(73,02,41,863)	(24,97,11,649)
	(Increase) / Decrease in other assets	77,56,269	(2,63,24,429)
	(Increase)/Decrease in inventories	48,82,539	(2,92,49,959)
	Increase/ (Decrease) in trade payables	57,73,72,525	9,65,51,913
	Increase/(Decrease) in provisions	6,21,28,047	(1,23,03,737)
	Increase/(Decrease) in other payables	(43,64,071)	16,47,51,454
		(8,24,66,554)	**(5,62,86,407)**
	Cash generated from operations	**(43,05,792)**	**14,05,81,445**
	Income taxes (paid)/ Refund received	(4,70,38,836)	(6,55,25,099)
	Net cash generated by operating activities	**(5,13,44,628)**	**7,50,56,346**
B.	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(2,13,51,698)	(8,34,86,406)
	Proceeds from disposal of property, plant and equipment	-	9,625
	Interest Income	95,23,124	1,24,92,668
	Net cash (used in)/generated by investing activities	**(1,18,28,574)**	**(7,09,84,113)**
C.	**Cash flows from financing activities**		
	Proceeds from Borrowings	2,71,16,575	1,16,80,309
	Dividends paid on equity shares	(4,90,00,000)	(4,21,13,563)
	Dividend Tax Paid	(99,75,250)	(85,73,437)
	Interest paid (Finance cost paid)	(1,07,47,966)	(1,82,94,991)
	Net (used in)/ generated in financing activities	**(4,26,06,641)**	**(5,73,01,682)**
	Net increase/ (decrease) in cash and cash equivalents	(10,57,79,843)	(5,32,29,449)
	Cash and cash equivalents at the beginning of the year*	16,59,50,212	21,91,79,661
	Cash and cash equivalents at the end of the year*	**6,01,70,369**	**16,59,50,212**

1 . The above cash flow statement prepared under the "indirect method" as set out in the Ind AS 7 "Cash flow statement".
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.
   Brackets indicate cash outflow.
3. See accompanying notes to the Financial Statements (1-36)
   *Cash and cash equivalents include other bank balances as per Note 10.

As per our report of even date attached
For & on behalf of **R.K. Malpani & Associates**
Chartered Accountants
FRN 002759C

Sd/-
Jagdish Bhalia
Partner
Membership No. 409276
Place : Jaipur
Date : 24-08-2018

For and on behalf of the Board

Sd/-
(Anupama Sharma)
Director

Sd/-
(A.K. Jain)
Managing Director

Sd/-
(Amit Kumar Jain)
Company Secretary

Sd/-
(Subhash Agrawal)
Addl. Gen. Manager (Fin.)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(All amounts in ₹, unless otherwise stated)

a. Enquity share capital	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Balance as at the beginging of the year	12,25,00,000	12,25,00,000
Changes in equity share capital during the year - Share capital issued	-	-
Balance as at end of the year	**12,25,00,000**	**12,25,00,000**

*On 16th May, 2017 51% shares of the company held by Intrumentation Limited has been transferred to the President of India.

March 2018

Statement of changes in equity for the year ended March 31, 2018

	Reserves and surplus		Items of other comprehensive income	
b. Other equity	**General reserve**	**Retained earnings**	**Remeasurement of Net Defined Benefit Plan**	**Total**
Balance as at March 31, 2017	97,23,45,363	1,40,11,763	(16,92,606)	98,46,64,520
a.) Profit for the year		4,01,64,570		4,01,64,570
b.) Other comprehensive income for the year, net of income tax			51,99,181	51,99,181
Total comprehensive income for the year (a+b)	**-**	**4,01,64,570**	**(51,99,181)**	**4,53,63,751**
Payment of dividends		(4,90,00,000)		(4,90,00,000)
Tax on Dividend		(99,75,250)		(99,75,250)
Transfer from General Reserve	(1,00,00,000)	1,00,00,000		-
Balance as at March 31, 2018	**96,23,45,363**	**52,01,083**	**35,06,575**	**97,10,53,021**

The Company has proposed a dividend of ` 2,45,00,000 ( excluding DDT ` 49,87,625) to its Equity Shareholders for the year 2017-18 which is subject to the approval of Board of Directors and Members of the company.

March 2017

Statement of changes in equity for the year ended March 31, 2017

Balance as at March 31, 2016	82,23,45,363	3,32,13,602	2,85,233	91,58,44,198
a.) Profit for the year		12,14,85,161		12,14,85,161
b.) Other comprehensive income for the year, net of income tax			(19,77,839)	(19,77,839)
Total comprehensive income for the year (a+b)	**-**	**12,14,85,161**	**(19,77,839)**	**11,95,07,322**
Payment of dividends		(4,21,13,563)		(4,21,13,563)
Tax on Dividends		(85,73,437)		(85,73,437)
Transfer to General Reserve	9,00,00,000	(9,00,00,000)		-
Balance as at March 31, 2017	**97,23,45,363**	**1,40,11,763**	**(16,92,606)**	**98,46,64,520**

See accompanying notes to the Financial Statements(1-36)

As per our report of even date attached
For & on behalf of **R.K. Malpani & Associates**
Chartered Accountants
FRN 002759C

Sd/-
Jagdish Bhalia
Partner
Membership No. 409276
Place : Jaipur
Date : 24-08-2018

For and on behalf of the Board

Sd/-
(Anupama Sharma)
Director

Sd/-
(A.K. Jain)
Managing Director

Sd/-
(Amit Kumar Jain)
Company Secretary

Sd/-
(Subhash Agrawal)
Addl. Gen. Manager (Fin.)

General Information & Significant Accounting Policies forming part of Financial Statements for the year ended March 31, 2018

1. General information

Rajasthan Electronics & Instruments Limited, Jaipur (REIL) is incorporated and domiciled in India having registered office at 2, Kanakpura Industrial Area, Sirsi Road, Jaipur. The Company is a joint venture between the Government of India (51% shareholding) and Government of Rajasthan through Rajasthan State Industrial Development and Investment Corporation Ltd., Jaipur (RIICO) with shareholding of 49%.

The Company was incorporated on 12th June, 1981 and falls under the administrative control of Ministry of Heavy Industries and Public Enterprises, Government of India and is a Mini Ratna PSU. REIL is in the business of Electronic Milk Analysers and Solar Energy Equipment with minor interest in Wind Power, Information Technology and Industrial Electronics.

2. Significant accounting policies

The principal accounting policies are set out below:

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

2.2 Basis of preparation and presentation The financial statements have been prepared in accordance with Indian Accounting Standards(IndAS) under the historical cost basis, except certain financial instruments measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

2.3 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The principal accounting estimates used have been described under the relevant income/expense and/or asset/liability item in these financial statements.

The Management believes that the estimates used in the preparation of these Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

2.4 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives as specified in the Schedule II of the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets.Property, plant and equipment that suffered an impairment loss are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5 Intangible Assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence,demand,competition,and other economic factors(such as the stability of the industry, and known technological advances),and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

2.6 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.
Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on FIFO basis Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories comprises of all cost of conversion and other cost incurred in bringing them to their respective present location and condition and valued on the basis of FIFO method.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

2.8 Revenue recognition

- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

- Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognized on accrual basis.
- Income from services rendered is recognized based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.
- Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net).
- Interest income is recognized using the effective interest rate (EIR) method.
- Dividend income on investments is recognized when the right to receive dividend is established.

2.9 Employee Benefits

- **Retirement benefit costs and termination benefits**

  Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

  For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re- measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

  Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

  Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on
- curtailments and
- net interest expense or income; and
- re-measurement
- The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.
- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

- **Short-term and other long-term employee benefits**
- A liability is recognized for benefits accruing to

employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

- Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10 Financial instruments

Financial Assets:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction cost are recognized in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:

Debt instruments are initially measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any.

The amortisation of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified s FVTPL.Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

- For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originatedor acquired financial assets if at the reporting date the credit risk of thefinancial asset has not increased significantly since its initial recognition.
- The expected credit losses are measured as lifetime expected credit lossesif the credit risk on financial asset increases significantly since its initialrecognition.
- For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables.
- At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.
- The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition: A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

2.11 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.12 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation thatarises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.13 Expenditure

Expenses are accounted on accrual basis

2.14 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.15 Income Tax

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.16 Foreign Currency Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.17 Government Grant

The Government Grants (Grant in Aid) are accounted for in accordance with Ind-AS 20. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate. Government grants so recognized shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

2.18 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.19 Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.20 Non-Current assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.Recent Accounting Developments:

Ind AS 115-Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) the effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

Note : 4 Tangible Assets (All amounts in ₹ , unless otherwise stated)

Current Year

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment					Carrying Amount	
	Balance as at April 1, 2017	Additions	Disposals	Balance at March 31, 2018	Balance as at April 1, 2017	Eliminated on disposals of assets	Depreciation expense	Adju-stment	Balance at March 31, 2018	As at March 31, 2018	As at March 31 , 2017
Property plant and equipment											
Vehicles	31,81,050	-		31,81,050	6,41,981	-	3,68,772	-	10,10,753	21,70,297	25,39,069
Road, Drains & water supply and Building	3,70,43,985	-		3,70,43,985	1,60,64,345	-	8,82,035	-	1,69,46,380	2,00,97,605	2,09,79,640
Furniture and fixtures	1,51,81,238	5,21,617		1,57,02,855	1,03,58,691	-	11,21,522	-	1,14,80,213	42,22,642	48,22,547
Wind Power Project	5,80,00,000	-		5,80,00,000	2,81,89,575	-	22,42,535	-	3,04,32,110	2,75,67,890	2,98,10,425
Temporary Structure	26,13,392	-		26,13,392	26,13,392	-	-	-	26,13,392	-	-
Plant and machinery-Imported	14,25,23,622	28,39,883		14,53,63,505	4,41,34,819	-	89,78,750	-	5,31,13,569	9,22,49,936	9,83,88,803
Plant and machinery-Indigenous	7,50,10,544	38,46,656		7,88,57,200	3,66,27,075	-	49,67,324	5,709	4,16,00,108	3,72,57,092	3,83,83,469
Leasehold Premises											
Land*	1,27,27,973	-		1,27,27,973	11,93,172		1,28,565	-	13,21,737	1,14,06,236	1,15,34,801
Subtotal	**34,62,81,804**	**72,08,156**		**35,34,89,960**	**13,98,23,050**	**-**	**1,86,89,503**	**5,709**	**15,85,18,262**	**19,49,71,698**	**20,64,58,754**
Capital work-in-progress	7,81,24,877	1,42,88,968		9,24,13,845	-	-	-	-	-	9,24,13,845	7,81,24,877
Total	**42,44,06,681**	**2,14,97,124**		**44,59,03,805**	**13,98,23,050**	**-**	**1,86,89,503**	**5,709**	**15,85,18,262**	**28,73,85,543**	**28,45,83,631**

Notes:

4.1 The land includes a land situated at Mansarover, Jaipur alloted by "Rajasthan Housing Board, Jaipur for a sum of ₹.113.21 Lakhs as at March 31, 2018 (₹.114.48 Lakhs as at March 31, 2017) as per allotment Letter dated 26.10.2007@ ₹ 3520/- Sq Mtrs + other charges which has been equitable mortgaged against a term loan of ₹.391.55 Lakhs (116.80 Lakhs as at March 31, 2017)

4.2 Addition to Capital Work-in-progress during the year include ₹ 2784637 (Previous Year ₹ 6400) being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs".

Previous Year

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment					Carrying Amount	
	Balance as at April 1, 2016	Additions	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Eliminated on disposals of assets	Depreciation expense	Adju-stment	Balance at March 31, 2017	As at March 31, 2017	As at March 31 , 2016
Property plant and equipment											
Vehicles	14,98,618	16,82,432		31,81,050	3,95,377	-	2,46,604	-	6,41,981	25,39,069	11,03,241
Road, Drains & water supply and Building	3,70,43,985	-		3,70,43,985	1,51,82,310	-	8,82,035	-	1,60,64,345	2,09,79,640	2,18,61,675
Furniture and fixtures	1,52,06,028	63,076	(87,866)	1,51,81,238	92,76,446	(83,473)	11,65,718	-	1,03,58,691	48,22,547	59,29,582
Wind Power Project	5,80,00,000			5,80,00,000	2,59,47,040	-	22,42,535	-	2,81,89,575	2,98,10,425	3,20,52,960
Temporary Structure	26,13,392			26,13,392	26,13,392	-	-	-	26,13,392	-	-
Plant and machinery-Imported	13,40,15,717	85,07,905		14,25,23,622	3,55,41,234	-	85,93,585	-	4,41,34,819	9,83,88,803	9,84,74,483
Plant and machinery-Indigenous	6,87,23,677	62,86,867		7,50,10,544	3,23,83,289	-	42,43,786	-	3,66,27,075	3,83,83,469	3,63,40,388
Leasehold Premises					-						
Land*	1,27,27,973			1,27,27,973	10,64,606		1,28,566	-	11,93,172	1,15,34,801	1,16,63,367
Subtotal	**32,98,29,390**	**1,65,40,280**	**(87,866)**	**34,62,81,804**	**12,24,03,694**	**(83,473)**	**1,75,02,829**	**-**	**13,98,23,050**	**20,64,58,754**	**20,74,25,696**
Capital work-in-progress	1,18,11,481	6,63,13,396		7,81,24,877	-	-	-	-	-	7,81,24,877	1,18,11,481
Total	**34,16,40,871**	**8,28,53,676**	**(87,866)**	**42,44,06,681**	**12,24,03,694**	**(83,473)**	**1,75,02,829**	**-**	**13,98,23,050**	**28,45,83,631**	**21,92,37,177**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

Note : 5 Intangible Assets

Current Year

Particulars	Cost or deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2017	Additions from separate acquisitions	Additions from internal developments	Disposals or classified as held for sale	Balance as at March 31, 2018	Balance as at April 1, 2017	Amortisation expense	Adjus-tments	Balance as at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Technical Know-How	72,70,376	-	-	-	72,70,376	70,23,184	1,23,596	(5,709)	71,41,071	1,29,305	2,47,192
Subtotal (a)	**72,70,376**	**-**	**-**	**-**	**72,70,376**	**70,23,184**	**1,23,596**	**(5,709)**	**71,41,071**	**1,29,305**	**2,47,192**

Previous Year

Particulars	Cost or deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2016	Additions from separate acquisitions	Additions from internal developments	Disposals or classified as held for sale	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortisation expense	Adjus-tments	Balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Technical Know-How	72,70,376	-	-	-	72,70,376	61,99,588	8,23,596	-	70,23,184	2,47,192	10,70,788
Subtotal (a)	**72,70,376**	**-**	**-**	**-**	**72,70,376**	**61,99,588**	**8,23,596**	**-**	**70,23,184**	**2,47,192**	**10,70,788**

6. Trade receivables- Non Current

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unsecured, considered good	6,50,93,888	2,79,90,773
Total	**6,50,93,888**	**2,79,90,773**

7. Trade receivables- Current

Particulars	As at March 31, 2018	As at March 31, 2017
From Related Party		
(a) Unsecured, considered good	1,05,000	1,05,000
From Others		
(a) Unsecured, considered good		
-Outstanding for a period exceeding 6 months from the date they are due for payment.	99,33,40,548	89,95,07,244
-Outstanding for a period less than 6 months from the date they are due for payment.	1,32,77,34,022	72,84,28,578
(b) Doubtful	1,88,09,137	97,87,629
Allowance for doubtful debts	1,88,09,137	97,87,629
Total	**2,32,11,79,570**	**1,62,80,40,822**

8. Other financial assets

8A. Other financial assets - Non current

Particulars	As at March 31, 2018	As at March 31, 2017
From Related Party		
-Security Deposit	40,470	40,470
From Others -		
-Security Deposit	9,12,325	13,59,352
-Loans & Advances to employees	5,23,399	7,07,199
-Cash and bank balances not available for immediate use (See Note below)	47,89,201	45,03,005
Total	**62,65,395**	**66,10,026**

Note: Particulars of cash and bank balances not available for immediate use.

Particulars	As at March 31, 2018	As at March 31, 2017
Other Bank Balances (including interest accrued thereon) not available for immediate use being deposits pledged with bank as margin money.	47,89,201	45,03,005
Total	**47,89,201**	**45,03,005**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

8B. Other financial assets - Current

Particulars	As at March 31, 2018	As at March 31, 2017
Others		
- Security Deposits	6,77,500	1,77,500
- Loans to Staff	1,70,018	2,35,310
- Earnest Money	3,64,95,155	2,39,97,875
- Subsidy Receivable	26,70,000	26,70,000
Total	**4,00,12,673**	**2,70,80,685**

9. Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories (lower of cost and net realisable value)		
Raw materials	11,90,20,767	12,80,64,476
Work-in-progress	3,58,79,488	2,91,09,505
Finished goods*	5,57,62,874	5,83,57,413
Packing Material	2,86,170	3,00,444
Total	**21,09,49,299**	**21,58,31,838**

*Closing Stock of finished goods includes excise duty of ₹. NIL (as at Mar 31,2018) , ₹ 6,67,325/- (as at Mar 31,2017). In the Current year, the Government of India has implemented Goods and Service Tax (GST) w.e.f July 01, 2017 which has replaced excise duty, service tax and other indirect taxes.

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks	2,75,89,306	5,38,15,149
Cash on hand	1,27,711	3,38,612
Cash and cash equivalents	**2,77,17,017**	**5,41,53,761**
Bank Deposits pledged with bank as margin money (maturity due less than 12months)	3,24,53,352	3,16,39,827
Other bank balances	-	8,01,56,624
	3,24,53,352	**11,17,96,451**
Total	**6,01,70,369**	**16,59,50,212**

Note: Company is availing fund / non-fund based limits from Punjab National Bank, secured by way of Hypothecation of Raw Material, Stock in process, finished goods and book debts and further collateraly secured by first charge over fixed and movable Capital Assets of the Company.

11. Other assets

11A. Other assets - Non Current

Particulars	As at March 31, 2018	As at March 31, 2017
Others -		
-Prepaid expenses	33,62,799	1,61,231
Total	**33,62,799**	**1,61,231**

11B. Other assets - Current

Particulars	As at March 31, 2018	As at March 31, 2017
From Related Parties		
Advances	-	2,91,764
From Others		
- Advance against expenses	8,41,566	8,21,070
- Prepaid expenses	91,41,627	1,97,41,899
- Other Advances	31,34,335	78,07,209
- Service Tax Receivable	-	1,28,08,480
- GST Adjustable	89,29,901	-
Total	**2,20,47,429**	**4,14,70,422**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

12. Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Equity share capital	12,25,00,000	12,25,00,000
Total	**12,25,00,000**	**12,25,00,000**

Authorised Share capital :		
15000000 equity shares of ₹ 10 each	15,00,00,000	15,00,00,000
Issued and subscribed capital comprises: 1,22,50,000 fully paid equity shares of ₹ 10 each (as at March 31, 2017: 1,22,50,000)	12,25,00,000	12,25,00,000
	12,25,00,000	**12,25,00,000**

12.1 Movement during the period

	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
Particulars	**Number of shares**	**Share capital (Amount)**	**Number of shares**	**Share capital (Amount)**
Balance at the start of the period	1,22,50,000	12,25,00,000	1,22,50,000	12,25,00,000
Movements	-	-	-	-
Balance at the end of the period	1,22,50,000	12,25,00,000	1,22,50,000	12,25,00,000

During the year, Instrumentation Ltd. Kota has transferred its shares to Government of India w.e.f. 16.05.2017.

Fully paid equity shares, which have a par value of ₹ 10, carry one vote per share and carry a right to dividends.

12.2 Details of shares held by the promoters.

Particulars	As at March 31, 2018	As at March 31, 2017
Government of India	62,47,500	-
M/s Instrumentation Ltd. Kota	-	62,47,500
Total	**62,47,500**	**62,47,500**

12.3 Details of shares held by each shareholder holding more than 5% shares.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	**% holding in the class of shares**	**Number of shares held**	**% holding in the class of shares**
Equity shares:				
Government of India	62,47,500	51%	-	-
M/s Instrumentation Ltd. Kota	-	-	62,47,500	51%
M/s Rajasthan State Industrial Development and Investment Corporation Ltd., Jaipur	60,02,500	49%	60,02,500	49%
Total	**1,22,50,000**	**100%**	**1,22,50,000**	**100%**

13. Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

14. Non-current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Secured – at amortised cost		
(i)Term loans		
- from banks	2,08,09,580	10,47,579
Total Non-current borrowings	**2,08,09,580**	**10,47,579**

*Secured Term Loan from Bank includes ₹ 3,91,55,366 as at March 31, 2018 (as at March 31, 2017 ₹.1,16,80,309) of which ₹ 1,78,58,483 (as at March 31,2017 ₹ 1,00,00,000) are included in current maturities of long -term debt in Note No. 15 for construction of building. The loan is secured by EM of land msg. 2500 Sq Mtrs, situated at Mansarover, Jaipur alloted by "Rajasthan Housing Board, Jaipur as per allotment Letter dated 26.10.2007@ ₹ 3520/- Sq Mtrs + other charges. Total cost of the project excluding cost of land is ₹ 14.57 Crores.

The interest rate of above Term Loan is 5 year MCLR(9.55%) + Spread (0.45%) i.e. 10.00% p.a. , however the effective interest on the above loan is 10.79%.

The above loan is also collaterally secured by first charge on all block assets of the company, present & future except primary security of Term Loan.

Footnote

1. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

Particulars	As at March 31, 2018	Repayment Schedule		
	₹	2018-19 (₹)	2019-20(₹)	2020-21 (₹)
Term Loan (PNB)	3,91,55,366	1,78,58,483	1,25,00,000	87,96,883
Total	**3,91,55,366**	**1,78,58,483**	**1,25,00,000**	**87,96,883**

15. Other financial liabilities - Current

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Audit Fee Payable	67,500	78,750
(b) Earnest Money	58,07,000	1,28,31,000
(c) Retention money payable	20,95,950	20,95,950
(d) Security Deposit	22,27,879	20,39,572
(e) Current Maturities of long-term debt	1,78,58,483	1,00,06,400
(f) Others	3,79,784	97,567
Total	**2,84,36,596**	**2,71,49,239**

16. Provisions

16A. Provisions - Non current

Particulars	As at March 31, 2018	As at March 31, 2017
Employee benefits	26,95,046	28,21,332
Total	**26,95,046**	**28,21,332**

16B. Provisions - Current

Particulars	As at March 31, 2018	As at March 31, 2017
Employee benefits	6,90,54,721	1,67,91,378
Provision for Warranty	25,00,000	4,59,800
Total	**7,15,54,721**	**1,72,51,178**

16B.1 Provision for Warranty- Current

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	**4,59,800**	**4,18,000**
Additional provisions recognised	25,00,000	41,800
Reductions arising from payments/other	(4,59,800)	-
Closing Balance	**25,00,000**	**4,59,800**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

17. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	6,63,30,204	7,11,77,773
Deferred tax liabilities	(7,30,40,210)	(9,84,00,564)
Net	**(67,10,006)**	**(2,72,22,791)**

Year ended March 31, 2018

Particulars	Opening balance	Recognised in profit or loss	Recognised in other omprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(5,52,04,745)	37,66,163	-	(5,14,38,582)
Fair Value of financial assets	34,75,796	21,40,743	-	56,16,539
Allowance for Doubtful Debts	33,87,303	31,22,163	-	65,09,466
Deferred revenue	5,58,09,630	(2,78,62,182)	-	2,79,47,448
Deferred expense	(4,31,95,819)	2,15,94,191	-	(2,16,01,628)
Provisions for Employee Benefit	83,45,916	2,06,62,444	(27,51,609)	2,62,56,751
Provision for Warranty	1,59,128	(1,59,128)	-	-
Total	**(2,72,22,791)**	**2,32,64,394**	**(27,51,609)**	**(67,10,006)**

Year ended March 31, 2017

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(5,67,07,743)	15,02,998	-	(5,52,04,745)
Fair Value of financial assets	6,06,505	28,69,291	-	34,75,796
Allowance for Doubtful Debts	18,59,989	15,27,314	-	33,87,303
Deferred revenue	4,22,24,606	1,35,85,024	-	5,58,09,630
Deferred expense	(3,21,23,331)	(1,10,72,488)	-	(4,31,95,819)
Provisions for Employee Benefit	65,11,526	7,87,641	10,46,749	83,45,916
Provision for Warranty	1,44,661	14,467	-	1,59,128
Total	**(3,74,83,787)**	**92,14,247**	**10,46,749**	**(2,72,22,791)**

18. Other liabilities

18A. Other non-current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Others		
- Government Grant	23,49,307	24,56,107
- Deferred revenue	7,16,66,010	4,10,07,554
Total	**7,40,15,317**	**4,34,63,661**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

18B. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers	13,56,16,730	18,15,92,812
Grant-in-aid	5,61,66,800	1,06,800
Others		
-Pre-Receipt Training & Education	17,700	22,000
-Deferred revenue	5,37,83,676	9,37,50,959
- Statutory dues	1,09,88,255	98,03,674
Total	**25,65,73,161**	**28,52,76,245**

19. Trade payables - Current

Particulars	As at March 31, 2018	As at March 31, 2017
From Related Parties	-	5,36,352
From Others		
-Total Outstanding dues of creditors of micro and small enterprises	68,74,86,936	36,17,56,493
-Total Outstanding dues of creditors other than micro and small enterprises	77,10,58,418	51,88,79,984
Total	**1,45,85,45,354**	**88,11,72,829**

20. Current tax assets and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax assets		
Advance Payment of taxes	42,12,26,615	37,41,87,779
Current tax liabilities		
Income tax payable	42,49,30,083	37,95,85,237
Current Tax Liabilities	**37,03,468**	**53,97,458**

21. Contingent liabilities, Contingent assets and Commitments

21.1 Contingent liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Guarantees given by bankers on behalf of the company.	6,732.00	6,780.98
(b) Claims against the company not acknowledged as debts.	22.51	15.93
(c)Disputed tax liabilities in respect of pending cases before Appellate Authorities:	3.82	40.38

(₹ In Lakhs)

Description	Period (F.Y) to which it relates	2017-18	2016-17
(a)Service Tax Show cause notices/Demand raised by Excise & Service Tax Department.	2009-2010	3.82	3.82
(b) Income Tax Disallowances/additions made by the Income Tax Department pending Before various appellate authorities.	2007-2008	-	0.24
	2008-2009	-	35.30
	2012-2013	-	1.02

21.2 Contingent assets

Particulars	As at March 31, 2018	As at March 31, 2017
Insurance Claims lodged but not approved/settled	6,54,929	7,81,200
Total	6,54,929	7,81,200

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

21.3 Commitments

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Commitments Estimated amount of contracts remaining to be executed and not provided for including service and maintenance contracts.	9,901.83	13,553.82
Pending capital contracts.	632.00	742.00

22. Revenue from operations

The following is details of the Company's revenue for the period from continuing operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Sales		
Exports	18,77,913	21,62,272
Domestic	2,17,52,72,617	1,98,00,02,326
(b) Other operating revenues		
Service Maintenance and installation charges	25,16,21,564	32,14,95,186
Total	**2,42,87,72,094**	**2,30,36,59,784**

Note: According to the requirements of Ind AS 18 - "Revenue", Sale of products for the current year (period April 01, 2017 to June 30,2017) and year ended 31st March 2017, are reported inclusive of Excise Duty of ₹ 31,62,941 and ₹ 1,87,06,300 respectively. Effective July 01, 2017, the Government of India has implemented Goods and Service Tax ("GST") replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per Ind AS 18, the revenue for the current year (July 2017 to March 2018) are reported net of GST and hence is not comparable with previous year.

22A. Details of Sale

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Solar Energy	1,14,18,55,588	1,24,48,20,875
Electronic Milk Analysers	1,03,13,69,452	73,30,36,752
Wind Power	39,25,490	43,06,971
Total	**2,17,71,50,530**	**1,98,21,64,598**

23. Other Income

a) Interest Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Bank Deposits	35,18,557	64,35,764
Others	1,01,26,768	70,53,532
Total (a)	**1,36,45,325**	**1,34,89,296**

b) Other Non-Operating Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Claims & recoveries	13,89,587	23,05,211
Amortisation of Government Grant	1,06,800	51,06,800
Profit on sales of fixed assets	-	5,232
Exchange Fluctuation (net)	29,40,985	24,99,254
Others (aggregate of immaterial items)	11,39,770	32,84,165
Total (b)	**55,77,142**	**1,32,00,662**
Total (a+b)	**1,92,22,467**	**2,66,89,958**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

24. Cost of material consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cost of material Consumed		
Opening stock	12,83,64,920	9,85,11,076
Add: Purchase of raw material	1,52,38,21,126	1,46,36,04,238
	1,65,21,86,046	**1,56,21,15,314**
Less: Closing stock	11,93,06,937	12,83,64,920
Total	**1,53,28,79,109**	**1,43,37,50,394**

24A. Details of material consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Details of Raw Materials consumed		
Solar Energy Equipments		
-Solar Cells	15,59,65,845	18,65,90,526
-Others	68,50,01,519	73,44,12,695
Electronic Milk Analysers	67,58,07,972	49,84,61,002
Consumables & packing materials	1,61,03,773	1,42,86,171
Total	**1,53,28,79,109**	**1,43,37,50,394**
(b) Value of Imported and indigenous material consumed		
Imported	31,77,79,793	32,86,26,667
Indigenous	1,21,50,99,316	1,10,51,23,727
Total	**1,53,28,79,109**	**1,43,37,50,394**

25. Change in inventories of finished goods and Work-in-progress

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Increase(-) / Decrease(+) in Stock		
Opening stock		
Work-in-progress	2,91,09,505	3,40,68,373
Finished goods	5,83,57,413	5,31,34,483
	8,74,66,918	8,72,02,856
Less: Closing stock		
Work-in-progress	3,58,79,488	2,91,09,505
Finished goods	5,57,62,874	5,83,57,413
	9,16,42,362	8,74,66,918
Change in inventories of WIP and Finished goods	(41,75,444)	(2,64,062)
Excise duty increase/decrease in finished goods	(6,67,325)	(7,20,820)
Total	**(48,42,769)**	**(9,84,882)**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

26. Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	27,87,67,287	22,34,38,953
Contribution to provident and other funds	4,80,70,892	1,92,53,562
Staff Welfare Expenses	83,36,695	1,37,01,819
Total	**33,51,74,874**	**25,63,94,334**

27. Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Continuing operations		
Interest costs :-		
Others	14,18,014	52,27,019
Bank Charges	27,61,776	34,33,073
Bank Guarantee Commission	65,68,176	96,34,899
Total	**1,07,47,966**	**1,82,94,991**

28. Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment pertaining to continuing operations	1,86,89,503	1,75,02,829
Amortisation of intangible assets	1,23,596	8,23,596
Total depreciation and amortisation pertaining to continuing operations	**1,88,13,099**	**1,83,26,425**

29. Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & fuel	53,64,727	54,91,458
Repair & maintenance		
- Plant & machinery	7,70,766	6,96,631
- Building	55,22,084	4,65,739
- Others	6,75,470	8,01,104
Testing & other expenses	32,81,507	12,13,146
Component & prototype for R&D	12,81,355	5,68,739
Rent	29,60,653	27,40,584
Rates & taxes	7,29,093	8,78,357
Printing & stationery	15,23,450	23,16,583
Travelling & conveyance	1,76,00,548	1,76,32,641
Postage & communication expenses	26,44,626	30,26,880
Board meeting expenses	20,939	49,662
Director's sitting fee	66,650	1,09,250
Vehicle running expenses	3,50,420	2,24,152
Legal & professional fee	65,65,751	21,42,723
Security,cleaning & other expenses	74,10,639	86,69,778
Payment to Auditors	1,57,750	2,05,075
Insurance charges	14,64,892	10,00,432
Training & education	16,45,649	8,25,678
Recruitment expenses	2,75,703	1,54,768
CSR expenses	49,14,338	58,95,044
Allowance for Bad and Doubtful Debts	90,21,508	44,13,183
Advertising & business promotion	73,57,446	63,36,309
Forwarding expenses	2,40,18,179	1,74,62,113
Warranty Obligation	37,85,742	10,54,723
Discount & commission	58,60,817	82,06,028
Service,maintenance & installation charges	37,01,89,441	31,51,62,712
Miscellaneous expenses	43,54,176	43,77,724
Total	**48,98,14,319**	**41,21,21,216**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

Payments to auditors	Year ended March 31, 2018	Year ended March 31, 2017
(a) Statutory audit fee	75,000	75,000
(b) Tax audit fee	45,000	45,000
(c) Certification work	12,750	33,000
(d) Out of pocket expenses	25,000	25,000
(e) Service Tax	-	27,075
Total	**1,57,750**	**2,05,075**

30. Income taxes relating to continuing operations

30.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In respect of the current period	4,83,47,960	6,39,83,930
Adjustment of tax relating to earlier year	(30,03,114)	(25,13,880)
	4,53,44,846	6,14,70,050
Deferred tax		
In respect of the current period	(2,62,67,508)	(1,08,31,945)
Adjustment of tax relating to earlier year	30,03,114	16,17,698
Adjustments to deferred tax attributable to changes in tax rates		-
	(2,32,64,394)	(92,14,247)
Total income tax expense recognised in the current period relating to continuing operations	2,20,80,452	5,22,55,803

The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	6,22,45,022	17,37,40,964
Tax Rate	34.608%	34.608%
Accounting Profit multiplied by Tax Rate	2,15,41,757	6,01,28,273
Additional deduction for Research Expenditure	(40,84,170)	(92,02,734)
Effect of expenses that are not deductible in determining taxable profit		
- CSR Expenditure	17,00,754	20,40,157
- Interest on Income Tax	1,22,396	1,41,795
- Amortisation of Leasehold Land	44,494	44,494
Effect on tax balances due to non adjustment of expenses allowed between Books closing date and ITR filing.	27,55,221	-
	2,20,80,452	**5,31,51,985**
Adjustments recognised in the current year in relation to the Deferred tax of prior years	30,03,114	16,17,698
Adjustments recognised in the current year in relation to the current tax of prior years	(30,03,114)	(25,13,880)
Income tax expense recognised in profit or loss (relating to continuing operations)	**2,20,80,452**	**5,22,55,803**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

30.2 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax		
Re-measurement of defined benefit obligation	(27,51,609)	10,46,749
Total	**(27,51,609)**	**10,46,749**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(27,51,609)	10,46,749

31. Earnings per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
From Continuing operations	**₹ per share**	**₹ per share**
Profit after tax	4,53,63,751	11,95,07,322
Weighted average number of equity shares for calculation of basic EPS	1,22,50,000	1,22,50,000
Basic earnings per share (one equity share of ₹ 10/- each)	**3.70**	**9.76**
Weighted average number of equity shares for calculation of diluted EPS	**1,22,50,000**	**1,22,50,000**
Diluted earnings per share (one equity share of ₹ 10/- each)	**3.70**	**9.76**
From Continuing operations	**₹ per share**	**₹ per share**
Basic earnings per share	3.70	9.76
Diluted earnings per share	3.70	9.76

31.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the period attributable to owners of the Company (A)	4,53,63,751	11,95,07,322
Weighted average number of equity shares for the purposes of basic earnings per share (B)	1,22,50,000	1,22,50,000
Basic Earnings per share (A/B)	**3.70**	**9.76**

31.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Earnings used in the calculation of basic earnings per share	4,53,63,751	11,95,07,322

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

Earnings used in the calculation of diluted earnings per share (A)	4,53,63,751	11,95,07,322
Weighted average number of equity shares used in the calculation of basic earnings per share	1,22,50,000	1,22,50,000
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	1,22,50,000	1,22,50,000
Diluted earnings per share (A/B)	**3.70**	**9.76**

32. Employee benefit plans

32.1 Defined contribution plans

The Company contributes to defined contribution retirement benefit plans for all qualifying employees of its Company maintained at Instrumentation Limited Employee Provident Fund Trust (ILEPFT).

The total expense recognised in profit or loss of ₹ 1,74,61,355/- (for the year ended March 31, 2017: ₹ 1,71,24,131/-) represents contributions paid to the fund maintained at Instrumentation Limited Employee Provident Fund Trust (ILEPFT).

32.2 Defined benefit plans

The employee gratuity fund scheme is managed by a policy , administered by Life Insurance Corporation of India through approved gratuity trust fund. The present value of obligation is determined based on Acturial Valuation using the Projected Unit Credit Method to assess the plan''s liabilities including those related to retirement, resignation and death-in-service benefits.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.Since investment is with insurance company (LIC), assets are considered to be secured
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	**Valuation as at**	
	As at March 31, 2018	**As at March 31, 2017**
Discount rate(s)	7.88%	7.26%
Rate(s) of salary increase	6.00%	9.00%
Rate of Employee Turnover	2.00%	2.00%
Expected Return on Plan Assets	7.88%	7.26%
Mortality rates*(During Employement)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	-13,28,84,355	-10,65,52,128
Fair value of plan assets	10,92,06,904	10,52,42,679
Funded status	-2,36,77,451	-13,09,449
Net liability arising from defined benefit obligation	**-2,36,77,451**	**-13,09,449**

Net Interest Cost for Current Period are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of Benefit Obligation at the Period	10,65,52,128	10,16,37,102
Fair value of plan assets at the Beginning of the Period	-10,52,42,679	-10,45,75,383
Net Liability/(Assets) at the Beginning	**13,09,449**	**-29,38,281**
Interest Cost	77,35,684	79,88,676
(Interest Income)	-76,40,618	-82,19,625
Net Interest Cost for Current Period	**95,066**	**-2,30,949**

Expenses Recognized in the Statement of Profit or Loss for Current Period are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Current Service Cost	22,55,327	18,15,065
Net Interest Cost	95,066	-2,30,949
Past Service Cost	2,79,87,792	-
Expenses Recognized	**3,03,38,185**	**15,84,116**

Expenses Recognized in the Other Comprehensive Income (OCI)for Current Period are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Acturial (Gains)/Losses on Obligation For the Period	-77,33,700	31,13,084
Return on Plan Assets, Excluding Interest Income	-2,17,090	-88,496
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	**-79,50,790**	**30,24,588**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening defined benefit obligation	10,65,52,128	10,16,37,102
Current service cost	22,55,327	18,15,065
Interest cost	77,35,684	79,88,676
Past Service Cost	2,79,87,792	-

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	-2,57,30,173	42,10,048
Actuarial gains and losses arising from experience adjustments	1,79,96,473	-10,96,964
Benefits paid from the Fund	-39,12,876	-80,01,799
Closing defined benefit obligation	**13,28,84,355**	**10,65,52,128**

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	10,52,42,679	10,45,75,383
Interest income	76,40,618	82,19,625
Return on plan assets (excluding amounts included in net interest expense)	2,17,090	88,496
Contributions from the employer	19,393	3,60,974
Benefits paid from the Fund	-39,12,876	-80,01,799
Closing fair value of plan assets	**10,92,06,904**	**10,52,42,679**

Balance Sheet Reconciliation

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Net Liability	13,09,449	-29,38,281
Expenses Recognized in Statement of Profit or Loss	3,03,38,185	15,84,116
Expenses Recognized in OCI	-79,50,790	30,24,588
(Benefit Paid Directly by the Employer)	-19,393	-3,60,974
Net Liability/(Asset) Recognized in the Balance Sheet	**2,36,77,451**	**13,09,449**

Category of Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Insurance Fund	10,92,06,904	10,52,42,679
Net Liability/(Asset) Recognized in the Balance Sheet	**10,92,06,904**	**10,52,42,679**

Other Details

Particulars	As at March 31, 2018	As at March 31, 2017
No of Active Members	266	269
Per Month Salary For Active Members	1,25,93,334	1,18,72,511
Weighted Average Duration of the Projected Benefit Obligation	8	8
Average Expected Future Service	12	12
Projected Benefit Obligation (PBO)	13,28,84,355	10,65,52,128
Prescribed Contribution for Next Year (12 Months)	1,25,93,334	35,64,776

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

Net Interest Cost for Next Year are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of Benefit Obligation at the End of the Period	13,28,84,355	10,65,52,128
Fair value of plan assets at the End of the Period	-10,92,06,904	-10,52,42,679
Net Liability/(Assets) at the End of the Period	2,36,77,451	13,09,449
Interest Cost	1,04,71,287	77,35,684
(Interest Income)	-86,05,504	-76,40,618
Net Interest Cost for Next Period	**18,65,783**	**95,066**

Expenses Recognized in the Statement of Profit or Loss for Next Period are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Current Service Cost	46,47,077	22,55,327
Net Interest Cost	18,65,783	95,066
Expenses Recognized	**65,12,860**	**23,50,393**

Maturity Analysis of Projected Benefit Obligation: From the Fund.

Particulars	As at March 31, 2018	As at March 31, 2017
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	1,37,78,323	65,50,188
2nd Following Year	1,03,58,043	72,52,509
3rd Following Year	1,88,57,314	1,22,58,434
4th Following Year	1,16,58,337	1,44,59,258
5th Following Year	1,96,82,467	81,62,917
Sum of Years 6 To 10	7,19,01,175	5,66,34,314
Sum of Years 11 and above	8,91,59,842	9,51,34,433

Sensitivity Analysis

Particulars	As at March 31, 2018	As at March 31, 2017
Projected Benefits Obligation on Current Assumptions	13,28,84,355	10,65,52,128
Delta Effect of +1% Change in Rate of Discounting	-71,36,618	-68,47,858
Delta Effect of -1% Change in Rate of Discounting	79,74,428	77,76,280
Delta Effect of +1% Change in Rate of Salary Increase	64,62,118	17,16,400
Delta Effect of -1% Change in Rate of Salary Increase	-61,41,533	-19,82,111
Delta Effect of +1% Change in Rate of Employee Turnover	12,51,535	15,20,235
Delta Effect of -1% Change in Rate of Employee Turnover	-13,69,694	-16,81,589

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

33. Financial instruments

33.1 Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

33.2 Categories of financial instruments and Fair Values

A.) The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:	**2,49,27,21,895**	**2,49,27,61,390**	**1,85,56,72,518**	**1,85,58,02,742**
Non Current				
Trade receivables*	6,50,93,888	6,51,29,310	2,79,90,773	2,80,79,354
Other Financial Assets	62,65,395	62,69,468	66,10,026	66,51,669
Current				
Trade receivables	2,32,11,79,570	2,32,11,79,570	1,62,80,40,822	1,62,80,40,822
Cash and cash equivalents	6,01,70,369	6,01,70,369	16,59,50,212	16,59,50,212
Other financial assets	4,00,12,673	4,00,12,673	2,70,80,685	2,70,80,685
Financial liabilities				
Financial liabilities held at amortised cost:	**1,50,77,91,530**	**1,50,77,91,530**	**90,93,69,647**	**90,93,69,647**
Non Current				
Borrowings	2,08,09,580	2,08,09,580	10,47,579	10,47,579
Current				
Trade Payables	1,45,85,45,354	1,45,85,45,354	88,11,72,829	88,11,72,829
Others financial liabilities	**2,84,36,596**	**2,84,36,596**	**2,71,49,239**	**2,71,49,239**

The Company has disclosed financial instruments such as cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

B.) FAIR VALUE HIERARCHY

Except for cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities disclosed at carrying value, all other financial assets /liabilities are fair valued using level 3 hierarchy

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis

33.3 Financial risk management objectives

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. Risk Management framework is constantly updated for new and emerging risks emanating from business expansion and interests.Risk Managemnt framework of the company encompasses pratices relating to identification, assessment, monitoring and mitigation of various risks to key business objective. Risk management practices of the company seek to sustain and enhance the long-term competitive advantage of the company. Core values and ethics of the company provide the platform for its risk management practices. This system provides a holistic view of the business, wherein risks are identified in a structured manner.

Risk Management aims to ensure timely and prudent decisions to:

- Maximise positive impacts of opportunities.
- Minimise negative impacts of risks.
- Convert risks into opportunities.

A.) Market risk management

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note **A.)**
(i) below) and interest rates (see note **A.)(ii)** below).

There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured

A.)(i) Foreign currency risk management

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. As at 31st March, 2018, the foreign currency exposure to the Company on holding financial liabilities (trade payables) amounted to ₹588.31 Lakhs (March 31, 2017:₹ 291.07 Lakhs).

A.)(i)(a) Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional ₹ 101.44 Lakhs gain in the Statement of Profit and Loss (2016-17: ₹ 105.30 Lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

A.)(ii) Interest rate risk management

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding term loan of ₹ 391.55 Lakhs (March 31, 2017: ₹ 116.80 Lakhs). Outstanding debt in local currency is on fixed rate basis for five years and hence not subject to interest rate risk

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

B.) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The company mostly transacts with government entities reducing the risk of default on contractual obligations.The company's exposure is continuously monitored.

The credit limits are fixed in respect of individual customers that are approved by Head of Marketing Department.These limits are checked before orders are accepted from the customers. Also there is a system of periodic review of credit limits.

The Company's maximum exposure to credit risk as at 31st March, 2018 & 31st March, 2017 is the carrying value of each class of financial assets.

The company is making provisions on trade receivables based on Simplified Approach of Expected Credit Loss (ECL) model, using practical expedients, as most of the debtors of the company belongs to government/government department and nodal agencies and the timelines for their recovery cannot be envisaged. Hence using the simplified approach, the company has made provision for doubtful debts @ 5% for debtors outstanding for more than 3 years.The reconciliation of ECL is as follows:

Particulars	2017-18	2016-17
Opening Balance	**97,87,629**	**53,74,446**
Changes in loss allowance:		
Additional Provision	90,21,508	44,13,183
Closing Balance	**1,88,09,137**	**97,87,629**

C.) Liquidity risk management

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through fund based limit in Bank Accounts.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Undiscounted Amount					
Particulars	**Carrying Amount**	**Payable within 1 year**	**1-2 years**	**More than 2 years**	**Total**
As at March 31 , 2018					
Trade Payables*	1,45,85,45,354	1,45,85,45,354	-	-	1,45,85,45,354
Borrowings	2,08,09,580	-	1,25,00,000	83,09,580	2,08,09,580
Other financial Liabilities	2,84,36,596	2,84,36,596	-	-	2,84,36,596
Total	**1,50,77,91,530**	**1,48,69,81,950**	**1,25,00,000**	**83,09,580**	**1,50,77,91,530**
As at March 31 , 2017					
Trade Payables*	88,11,72,829	88,11,72,829	-	-	88,11,72,829
Borrowings	10,47,579		10,47,579	-	10,47,579
Other financial Liabilities	2,71,49,239	2,71,49,239	-	-	2,71,49,239
Total	**90,93,69,647**	**90,83,22,068**	**10,47,579**	-	**90,93,69,647**

* Trade Payable includes ₹ 62,52,09,250/- as at March 31, 2018 (₹ 22,94,58,234/- as at March 31, 2017) which is payable to the contractor only when the payment is received from customer.

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

34. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

As at March 31, 2018

Nature of Relationship	Name of Entity	Abbreviation used
Control	Government of India	GOI
	Instrumentation Ltd. Kota During the year, Instrumentation Ltd. Kota has transferred its shares to Government of India w.e.f. 16.05.2017.	ILK
Significant Influence	RIICO Ltd.	RIICO
Key Management Personnel	Shri AK Jain	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

As at March 31, 2017

Nature of Relationship	Name of Entity	Abbreviation used
Control	Instrumentation Ltd. Kota	ILK
Significant Influence	RIICO Ltd.	RIICO
Key Management Personnel	Shri AK Jain	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

Related Party Disclosures

34(b) Transactions/ balances with above mentioned related parties (mentioned in note 34(a) above)

As at Mar 31,2018

Particulars	Government of India	RIICO Ltd.	Shri AK Jain	Shri Subhash Agrawal	Shri Amit Kumar Jain	Total
Balance						
Trade Receivable		1,05,000				1,05,000
Security Deposit		40,470				40,470
Transactions						
Sale of SPV and Installation and Commissioning	-	1,79,15,100	-	-	-	1,79,15,100
Remuneration			34,86,946	21,19,345	7,71,521	63,77,812
Dividend Paid	2,49,90,000	2,40,10,000				**4,90,00,000**

As at Mar 31,2017

Particulars	Instrumentation Ltd. Kota	RIICO Ltd.	Shri AK Jain	Shri Subhash Agrawal	Shri Amit Kumar Jain	Total
Balance						
Trade Receivable	-	1,05,000	-	-	-	1,05,000
Security Deposit	-	40,470	-	-	-	40,470
Trade Payable	5,36,352	-		-	-	5,36,352
Advances	2,91,764	-	-	-	-	2,91,764
Transactions						
Remuneration	-	-	34,33,098	20,57,715	6,95,035	61,85,848
CVO Expenses	10,66,722	-	-	-	-	10,66,722
Dividend Paid	2,14,77,917	2,06,35,646	-	-	-	**4,21,13,563**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

35. Segment Reporting

In Compliance of Ind AS 108 on "Segment Reporting" issued by Institute of Chartered Accountants of India, the required information is as under:

Business Segments: - The Company has adopted following business segments as its reportable segment.

1. Solar Energy
2. Electronic
3. Wind Power

Geographical Segment has been considered for secondary Segments Reporting by treating sales revenue in India and foreign countries as separate geographical segments.

(I) Primary - Business Segments: (₹ In Lakhs)

	Solar Energy		Electronic		Wind Power		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue								
External (Net of ED)	12,752.31	14,550.25	11,464.52	8,256.21	39.25	43.07	24,256.09	22,849.53
Inter-Segment	-	-	-	-	-	-	-	-
Segment Revenue	12,752.31	14,550.25	11,464.52	8,256.21	39.25	43.07	24,256.09	22,849.53
Total Revenue								-
Segment results	18.50	1,093.93	569.13	670.90	5.85	20.64	593.48	1,785.47
Interest income							136.45	134.89
Interest expenditure							107.48	182.95
Provision for taxation							220.80	522.56
Net Profit / (Loss)	**18.50**	**1,093.93**	**569.13**	**670.90**	**5.85**	**20.64**	**401.65**	**1,214.85**
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Segment assets	18,889.68	16,426.18	10,089.85	5,035.35	275.68	298.10	29,255.21	21,759.63
Unallocated Assets							910.75	2,220.04
Total assets							30,165.96	23,979.67
Segment liabilities	10,195.11	5,357.78	3,952.17	1,742.89	30.52	28.59	14,177.80	7,129.26
Unallocated Liabilities							15,988.16	16,850.41
Total Liabilities							**30,165.96**	**23,979.67**
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure for the year	113.36	426.38	101.61	402.16	-	-	214.97	828.54
Depreciation for the year	123.58	117.03	42.12	43.94	22.43	22.43	188.13	183.40

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

(II) Secondary - Geographical Segments:

(₹ In Lakhs)

Particulars	India		Outside India	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue - External	24,237.31	22,827.91	18.78	21.62
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Carrying Amount of Segment Assets	29,255.21	21,759.63	-	-
Capital Expenditure/ Additions to Fixed Assets	214.97	828.54	-	-

36. Other notes annexed to and forming parts of the accounts for the year ended March 31, 2018

A. CIF value of imports

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw material & Components	30,90,49,201	31,59,63,535
Plant & Machinery	28,05,637	82,40,231

B. Expenditure in foreign currency

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Foreign Travelling	4,38,255	1,29,667
Others- Misc Expenses	-	13,508

C. Earning in foreign exchange on FOB value

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Export Sales	18,77,913	20,68,411
Others-misc. income	1,77,170	2,22,162

D.(i) Corporate Social Responsibility (2017-18)

-Gross amount required to be spent by the Company during the year-₹ 37,40,000/-

-Amount spent during the year;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction/Acquisition of any asset	-	-	-
On purpose other than above	49,14,338	-	49,14,338

D.(Ii) Corporate Social Responsibility (2016-17)

-Gross amount required to be spent by the Company during the year-₹ 39,00,000/-

-Amount spent during the year;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction/Acquisition of any asset	-	-	-
On purpose other than above	58,95,044	-	58,95,044

E. Expenditure on Research and Development

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	2,36,02,462	2,28,34,100
Capital	-	37,57,253
Total	**2,36,02,462**	**2,65,91,353**

Notes forming part of the Financial Statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ , unless otherwise stated)

F. Disclosures under Section 22 of the MICRO, SMALL & MEDIUM Enterprises Development Act, 2006. **(₹ In Lakhs)**

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
i) The Principal amount remaining unpaid to supplier as at the end of accounting year.*	6,874.87	3,617.56
ii) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	-
iii) The amount of interest paid in terms of section 16, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
v) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-
Total	**6,874.87**	**3,617.56**

* Mainly comprising of outstanding which is not payable due to contractual terms and conditions.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the “Suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

G. Provision(s)/Adjustment(s) has not been made in the accounts for:

(a) Additional liabilities, if any, in respect of pending Indirect taxes and Income-tax assessment, being unascertained and liabilities which may arise in future due to mismatching of input tax credit.
(b) Claims pending for settlement in court of law, being unascertained.

H. Expenditure on Technical Literature, Software, Electronic Media Stores, Maintenance, Printing & Stationery and Consumable stores are charged to profit & loss account treating them as consumed in the year of purchases.

I. Sales does not include sales of spares for which service job reports from field has been received after closing of the financial year.

J. Impairment

No impairment loss has been recognized during the year, since there was no indication of Impairment of any asset/CGU according to procedures/guidelines given under the Ind AS-36 "Impairment of Assets".

K. Previous years comparative figures have been regrouped wherever necessary.

As per our report of even date attached
For & on behalf of **R.K. Malpani & Associates**
Chartered Accountants
FRN 002759C

Sd/-
Jagdish Bhalia
Partner
Membership No. 409276
Place : Jaipur
Date : 24-08-2018

For and on behalf of the Board

Sd/-
(Anupama Sharma)
Director

Sd/-
(A.K. Jain)
Managing Director

Sd/-
(Amit Kumar Jain)
Company Secretary

Sd/-
(Subhash Agrawal)
Addl. Gen. Manager (Fin.)