

SHRI RAM SWITCHGEARS LIMITED



Power Solutions Redefined

ANNUAL REPORT
2017-2018



Company Information

Board of Directors

Mr. Nilesh Jhalani, Managing Director,
 Mr. Devraj Jhalani, Whole-Time Director,
 Mr. Rohit Kumar Jhalani, Whole-Time Director
 Ms. Amita Premswaroop Patel, Independent Director
 Mr. Atul Krishna Khandelwal, Independent Director,
 Ms. Sapna Jhalani, Non-Executive Director,

Auditor

M/s KVNG & Associates,
 Chartered Accountants, Indore

Audit Committee

Mr. Atul Krishna Khandelwal
 Ms. Amita Premswaroop Patel
 Mr. Nilesh Kumar Jhalani

Secretarial Auditor

CS Shweta Garg,
 Company Secretary,
 Indore

Nomination and Remuneration Committee

Mr. Atul Krishna Khandelwal
 Ms. Amita Premswaroop Patel
 Ms. Sapna Jhalani

Registered Office

Shri Ram Bhawan, Goushala Road, Ratlam
 MP 457001 IN
 Tel. No.: 07412 235554
 E-mail Id: info@shriramswitchgears.com
 Website: www.shriramswitchgears.com

Stakeholder's Relationship Committee

Ms. Sapna Jhalani
 Mr. Atul Krishna Khandelwal
 Ms. Amita Premswaroop Patel

Share and Transfer Agent

Skyline Financial Services Private Limited
 D-153, 1st Floor, Okhla Industrial Area,
 Phase – 1, New Delhi – 110 020, IN
 Phone No. : 011-64732681-88
 E-mail id : viren@skylinerta.com

Company Secretary and Compliance Officer

CS Garima Mahalaha

Chief Financial Officer

Mr. Naresh Jhalani

Chairman's Address

Dear Members,

I am elated to present before you the 32nd Annual Report of your Company. The Company has had a long and momentous journey. The financial year 2017 - 18 has been yet another good year. It is the continued support and unwavering trust of all the stakeholders in the Company that has enabled us to deliver sustained performance and growth over the years.

Looking to the trust being reposed by the stakeholders, your company decided to approach the public for financing its working capital needs. The company decided to go public and come out with initial public offering of its shares. The Initial Public offering of the shares was opened from 25.05.2017 to 30.05.2017. The company received tremendous response from the market for its IPO and the issue got oversubscribed by around 70 times. It was all possible with co operation of all the associates of our company, dedicated employees, bankers, customers, officials at NSE Emerge and the stakeholders. Finally the shares of the company got listed on NSE Emerge Platform on 07.06.2017.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF), also Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalization of profits, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus.

The implementation of a unified GST is viewed as one of the most far-reaching indirect tax reforms, as it is likely to create a common Indian market, improve tax compliance and governance. Except for certain teething troubles and procedural setbacks, GST is going to have far reaching impact in Indian market. Financial services in India have come out of a volatile cycle and with government initiatives to devise various fiscal reforms, the future opportunity scenario looks quite attractive.

The Economy is currently at a stage where a slight pickup in demand can lead to a significant improvement in growth. The opportunity is out there in the open, one just needs

to focus and choose the right path for success. As an organization, we have set ambitious yet realistic plans for each of our businesses.

The total turnover for Financial Year 2016 - 17 was Rs. 70.93 crore and in Financial Year 2017 - 18 it was Rs. 54.95 Crores. During the year 2017 – 18, GST was introduced w. e. f. 01.07.2017. The major customers of the company are electricity boards and they were not clear about the headings and codes under which the products will fall. Hence, the goods order book was affected adversely. However, it may be noted that the project turnover of the company remained somewhat constant and was not affected greatly due to implementation of GST. Further, it is point to be noted that even after reduction in gross revenue, the profit after tax increased from Rs. 2.11 Crore to Rs. 2.25 Crores. This is due to reduction in cost of material and other overheads.

The tag line and the motto of your company is “Power Solutions Redefined.” The company is keeping with its tag line and is always trying to come out with best solution for every power need. The power needs of urban and rural area are extremely diversified. In addition to urban market, the emphasis of the company has always been the rural market. The company embraces the rural market with more zeal than the urban market. As the real India lies in villages and agriculture is the stem of our economy, the company always believes that the development of rural sector is the development of entire India.

At Shri Ram Group, our corporate credo has been to ‘Trade with Confidence’ and hence we deliver utmost satisfaction to our customers consistently. With over three decades of expertise and experience, we have emerged as a front-runner in our field. We have come this far solely based on our core values serving as a moral compass in all our dealings. Our team’s experience and expertise, diversified product offerings, disciplined approach, product quality, post sale services have enabled us to win the trust of distinguished investors, customers, and a wide fraternity of stakeholders.

Our strength emanates from the trust of people that we have earned over the years by providing customized solutions to our customers. Today, we are known for our diversified product portfolio and prominent position in all our business area. The recognition we have earned through several accolades is a manifestation to our excellence. We are ready with

optimism to leverage future opportunities. Flexibility and reinvention while staying true to our ethos by helping every customer meet their requirements will set our foundation of growth for the forthcoming financial year and beyond. We are all set to enter new business transactions with local as well as overseas customers.

Our vision is that we believe “Customer is the core of all the endeavors”. Thus the primary objective of the company is up-holding the value of the “customer”. Our Company strives to provide “solutions” rather than “selling of products.” Our Objectives are to establish the organization leadership in the area of electrical engineering both in the field of manufacturing and marketing and to develop high level of satisfied customer profile with dedicated service and high grade of products and quality as well as to maintain the growth patterns consistently both in terms of sales volume and return from sales.

Our customers are majorly the Power DISCOMs (Distribution Companies). We cover the states of Maharashtra, Rajasthan, Gujarat, Madhya Pradesh, Delhi, Odisha, Uttar Pradesh for supply of our products and services. Since last one and a half year we had got orders from M/s Bharat Heavy Electricals Limited (BHEL) for products to be manufactured and supplied to them. We are proud to announce that we have successfully completed their order and BHEL is now one of the most valued and regular customer of our company. From engineers to skilled labours, everyone is motivated to manufacture the highest quality products in Our Company. Our Company has put a lot of systems in place for quality check and control. We have been accredited with "ISO : 9001-2008" certification for design and development, production, installation & marketing of electrical switchgear & transformers. We have always been a front runner in adapting technology ahead of its times.

The company has always committed to super most quality for its products. The government of India has recently prescribed for BEEE Rating for transformers. Although the rating has not been accepted by the industry, we feel pleasure to announce that your company has already upgraded the quality of its products to BEEE Equivalent.

The company believes that the support of shareholders have played indispensable role in improved performance of the company.

Your Company believes in serving its own people first by providing the right workplace facilities and atmosphere for every staff members with highly subsidized and quality canteen facilities; employee health provisions for all the Employees. To connect with the employees on a personal level the company initiates outings on regular basis.

With your continued support, we will think bigger. Indeed not just bigger but better, creating ever greater value for all our stakeholders. Don't hide – engage. I believe that the company will continue its journey towards advancement. I would like to end by expressing my gratitude to all our clients, employees, investors, bankers and shareholders – for the trust they have reposed in us. I would especially like to thank our Board members for their guidance throughout our journey. We look forward to your continued support in our journey to create long term value for all our stakeholders.

With Warm Regards

Sd/-

Nilesh Jhalani

(Managing Director)

BOARD'S REPORT

To,
The Members,

Your directors have pleasure in presenting their 32nd Annual Report on the business and operations of the company and the accounts for the financial year ended March 31, 2018.

1. Financial Results :

The details regarding financial performance of the company for financial year ended 31st March, 2018 are as follows:

Particulars	Standalone (Rs. In Lacs)	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from Operations	5495.48	7090.54
Other Income	58.71	56.09
Total Income	5554.20	7146.62
Total Expenditure	5207.78	6831.23
Extraordinary/Exceptional Items	-	15.00
Profit Before Tax ('PBT')	346.43	327.86
Provision for Income Tax (including Deferred taxes)	121.57	116.95
Profit After Income Tax	224.85	210.91
Surplus Brought Forward from Previous Year	365.82	354.41
Less : Amount utilized for Bonus Shares	-	199.51
Amount Available for Appropriations	590.67	365.82
Proposed Dividend	Nil	Nil
Earnings Per Share (Amount in Rs.)	Rs. 2.36	Rs. 3.85

2. Overview of the company, analysis of financial results and Performance Review

Your company is involved in engineering and manufacturing of transformers (EHV, Power, Distribution, and Special Application) upto 5 mVA - 33 kV Class as well as Oil Type Compact Sub-Stations. The company manufactures full range of HT & LT switchgears from Distribution boards to Distribution Boxes, Control and Relay Panel, Feeder Pillars, ACB Boxes, Single Phase Boxes, MCB & MCCB panels, Junction Boxes, A.C./D.C. Boards and other related products.

During the year under review, the turnover of the company got reduced from 7090.54 Lakhs to Rs. 5495.48 Lakhs. The year 2017 – 2018 has been a year full of changes. Due to implementation of GST during 2017 – 2018, MP Electricity Board, one of the major customer of the company was not clear about classification and rate of GST for almost 6 months. Hence, the orders and execution both were affected adversely. This has impacted the top line adversely. However, it could be noted that the project turnover has been remain constant at Rs. 3686.46 Lakhs as compared to Rs. 4378.79 Lakhs. The consistency of project turnover signifies increase

in margins as in project turnover more of service part is included. This has contributed towards increase in profit before tax from Rs. 327.86 Lakhs to Rs. 346.43 Lakhs.

During the current financial year, the company has already achieved good turnover and expects the same to be increase by manifold.

Our vision is that we believe “Customer is the core of all the endeavors”. Thus the primary objective of the company is up-holding the value of the “customer”. Our Company strives to provide “solutions” rather than “selling of products.” Our objectives are to establish the organization leadership in the area of electrical engineering both in the field of manufacturing and marketing and to develop high level of satisfied customer profile with dedicated service and high grade of products and quality as well as to maintain the growth patterns consistently both in terms of sales volume and return from sales.

3. Change in nature of business:

There was no change in nature of business of the company during the year under review.

4. Extract of Annual Return:

Pursuant to the provisions of Section 92 (3) and Section 134 (3) (a) of the Companies Act, 2013 read with rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is attached herewith as **Annexure I** and forms part of this report.

5. Reserves

The amount of surplus of Rs. 3,65,82,138/- (Rupees Three Crores Sixty Five Lakhs Eighty Two Thousand One Hundred and Thirty Eight Only) of Profit and Loss account has been transferred to Reserve and Surplus account in the Balance Sheet. Further an amount of Rs. 2,40,30,000/- received as securities premium was added to reserve and surplus account. Final amount of reserve and surplus account as on 31.03.2018 is Rs. 8,47,31,383/- including capital reserve of Rs. 16,34,217/-

6. Dividend

In order to plough back the profits for the activities of the company, your directors do not recommend any dividend for the financial year.

7. Initial Public Offer

1. The Company came out with an Initial Public Offer comprising of 26,70,000 equity shares of Rs. 10/- each at a premium of Rs. 9/- per share on. The offer was open from 25.05.2017 to 30.05.2017. The company received tremendous response from the investors and the issue got oversubscribed by 70 times.
2. The company allotted 26,70,000 equity shares of Rs. 10/- each to the selected applicants vide resolution passed by circulation by the board on 02.06.2017.
3. The company received trading approval for 10010565 Equity Shares of the company on EMERGE, the SME platform of NSE Limited with effect from 07.06.2017 having symbol “SRIRAM”.

4. The company confirms that the annual listing fee payable to NSE Limited has been duly paid.

8. Directors and Key Managerial Personnel

In compliance with the provisions of Section 149 & 152 read with Schedule IV all the other applicable provisions of Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (LODR) regulations, 2015, the composition of board of directors of the company is as follows:

S. No.	Name	DIN/PAN	Designation
1.	Nilesh Kumar Jhalani	01462299	Managing Director
2.	Rohit Kumar Jhalani	00666443	Whole Time Director
3.	Devraj Jhalani	01462323	Whole Time Director
4.	Sapna Jhalani	07685341	Non Executive Director
5.	Atul Krishna Khandelwal	00094242	Independent Director
6.	Amita Premswaroop Patel	07687442	Independent Director
7.	Naresh Kumar Jhalani	ABBPJ8084B	Chief Financial Officer
8.	Garima Mahalaha	BWWPM8525K	Company Secretary and Compliance Officer

During the year there was no change in directors and KMPs.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company Mr. Nilesh Kumar Jhalani (Managing Director) (DIN: 01462299) is liable to retire by rotation and being eligible, seeks re-appointment at the ensuing Annual General Meeting. The Board of Directors recommends his re-appointment. Mr. Nilesh Kumar Jhalani is not disqualified under Section 164(2) of the Companies Act, 2013.

Brief resume of the Director proposed to be reappointed, nature of his experience in specific functions and area and number of public companies in which he holds membership/chairmanship of Board and Committees, Shareholdings and inter-se relationships with other directors as stipulated under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the '**Annexure to the Notice of AGM**' forming part of the Annual Report.

9. Meetings of the Board of directors:

The directors of the company met at regular intervals with the gap between two meetings not exceeding 120 days to take a view on company's policies and strategies apart from the board matters. The notices of the meetings are given well in advance to all the directors of the company. Additional meetings were held depending upon the requirements of the company. During the year under review the board met 10 times and dates of board meetings are as follows:

S No.	Date of board meeting
1.	5 th April, 2017
2.	25 th April, 2017
3.	8 th May, 2017
4.	15 th July, 2017

5.	31 st July, 2017
6.	30 th August, 2017
7.	11 th November, 2017
8.	17 th January, 2018
9.	28 th February, 2018
10.	27 th March, 2018

Attendance of directors :

S. No.	Name of director	Number of board meetings	
		Held	Attended
1.	Nilesh Kumar Jhalani	10	10
2.	Rohit Kumar Jhalni	10	10
3.	Devraj Jhalani	10	10
4.	Sapna Jhalani	10	8
5.	Atul Krishna Khandelwal	10	6
6.	Amita Premswaroop Patel	10	6

10. Directors' Responsibility Statement

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your directors state that—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) The directors had laid down internal financial controls to be followed by the company

11. Board's Evaluation

In compliance with the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the board carried out annual evaluation of its own performance, that of its Committees and individual directors.

The performance of board and its committees was evaluated by the board after seeking input from all the directors on the basis of the criteria, such as composition and structure of the Board, quality of deliberations, effectiveness of the procedures adopted by the Board, participation at the Board and committee meetings, governance reviews etc. Performance of individual directors was evaluated on the basis of criteria like transparency, analytical abilities, qualifications, leadership qualities, experience, participation in the long-term strategic planning and responsibilities shouldered.

12. Particulars of loans, guarantees or investments under section 186

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 and rules made thereunder are shown under Note No. 11 & 15 in the notes to the Financial Statements.

13. Related Party Transaction:

All related party transactions entered into by the company during the year were on an arm's length basis and in the ordinary course of business. During the year no transaction was entered into by the company with key managerial personnel. The company did not enter into any related party transactions which was in conflict with its interest. Statement of transaction with related parties in summary form are periodically placed before the audit committee and are approved by committee, in compliance with Section 134 (3) (h) of the Act and rule 8 (2) of companies (Accounts) Rules, 2014, particulars of Related Party transactions are given form of AOC-2 as **Annexure II** to this report.

14. Commission from holding or subsidiary company:

As the company is not having any holding or subsidiary company, details as required regarding receipt of commission by Managing or whole time director of the company from holding or subsidiary of the company in accordance with the provisions of Section 197 (14) are not applicable.

15. Particulars Of Employee and Related Disclosures

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's Report under "**Annexure – III** " as **Median Remuneration**.

The company was not having any employee, who was in receipt of remuneration as specified under Rule 5 (2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence the details as required under that rule are not applicable on the company.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the list of the top 10 employees in terms of remuneration forms part of the Board's Report under "**Annexure-IV**"

16. Audit Committee

The company constituted an Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 at the board meeting held on 09.01.2017.

The terms of reference of Audit Committee covers the matters specified for Audit Committee in Section 177 of the Companies Act, 2013 read with Rule No. 6 of the Companies (Meetings of Board and its Power) Rules, 2014. The Role of the Audit Committee is as prescribed under Section 177 of the Companies Act, 2013.

The chairman of the Audit Committee is Mr. Atul Krishna Khandelwal. During the year 2017 - 18, three Audit Committee meeting were held on 30th August, 2017, 11th November, 2017 and 27th March, 2018.

The composition of the Audit Committee and number of meetings attended by the members are given below:

Name of director	Position held	No. of meetings attended
Mr. Atul Krishna Khandelwal (DIN : 00094242) – Independent Director	Chairman	3
Ms. Amita Premswaroop Patel (DIN : 07687442) – Independent Director	Member	3
Mr. Nilesh Kumar Jhalani (DIN : 01462299) – Managing Director	Member	3

17. Nomination and Remuneration Committee

The company constituted and Nomination & Remuneration Committee pursuant to the provisions of Section 178 of the Companies Act, 2013 at the board meeting held on 09.01.2017. The details of members and meetings of the Nomination and Remuneration committee are as follows:

Name of director	Position held	No. of meetings attended
Mr. Atul Krishna Khandelwal (DIN : 00094242) – Independent Director	Chairperson	1
Ms. Amita Premswaroop Patel (DIN : 07687442) – Independent Director	Member	1
Ms. Sapna Jhalani (DIN : 07685341) Non Executive Director	Member	1

During the year 2017 -18, no meeting of Nomination and Remuneration Committee was held as there was no appointment or changes in remuneration of directors and KMP during the year.

The function performed by the Nomination and Remuneration are as prescribed under Companies Act, 2013 and rules made thereunder.

18. Stakeholders' Relationship Committee

The company constituted a Stakeholders' Relationship Committee pursuant to the provisions of Section 178 (6) of the Companies Act, 2013 at the board meeting held on 09.01.2017. The details of members and meetings of the Stakeholder's Relationship Committee are as follows:

Name of director	Position held	No. of meetings attended
Ms. Sapna Jhalani (DIN : 07685341) Non Executive Director	Chairperson	1
Mr. Atul Krishna Khandelwal (DIN : 00094242) – Independent Director	Member	1
Ms. Amita Premswaroop Patel (DIN : 07687442) – Independent Director	Member	1

19. Vigil Mechanism/whistleblower Policy

In Compliance with the provision of section 177(9) of the Act read with Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014, the company formulated a Vigil Mechanism for directors and employees to report concerns.

20. Corporate Social Responsibility (CSR)

As the company does not fall into any of the category mentioned thereunder, the provisions of Section 134 (3) (o) read with Section 135 and Rule 9 of Companies (Accounts) Rules, 2014 related with **Corporate Social Responsibility** are not applicable on the company.

21. Material changes and commitments affecting the financial position of the company

There were no material changes and commitments affecting the financial position of the company between the end of financial year of the company to which the financial statement relate and the date of the report. However, it may be noted that the company had passed board resolution for changing the Registrar and Transfer Agent of the company from Bigshare Services Private Limited to Skyline Financial Services Private Limited at the board meeting held on 17th January, 2018. The company got the approval for change of RTA from NSDL vide its letter dtd. 23rd May, 2018 and from CDSL vide its letter dtd. 28th May, 2018.

22. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo in terms of Section 134 (3) (m) read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given in **Annexure V** which is part of this Report.

23. Details of Subsidiary/Joint Ventures/Associate Companies

As the company is not having any subsidiary/joint venture/Associate Companies, the details in terms of Section 134 (3) (q) read with Rule 8 (5) (iv) of the Companies (Accounts) Rules, 2014 are nil.

24. Deposits

As the company has not accepted any deposits covered under Chapter V of the Act, the details in terms of Section 134 (3) (q) of the Companies Act, 2013 read with Rule 8 (5) (v) and (vi) of the Companies (Accounts) Rules, 2014 are nil. The unsecured loan as are appearing in the balance sheet are the amount which are brought in by the promoters and their relatives in pursuant to the stipulation imposed by the financing banks and the same shall not be treated as deposits in terms of provisions of Rule 2 (c) (XIII) of Companies (Deposit) Rules, 2014.

25. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant or material orders are passed during the financial year by the regulators or courts or tribunals which might impact the going concern status and company's operation in future.

26. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable.

A system of strict internal control, including suitable monitoring procedures has always believed that transparency, systems and controls are important factors in the success and growth of any organization.

The Company has an adequate system of internal control supported by an extensive programme of internal control; and systems are established to ensure that financial and other records are reliable for preparing financial statements.

Internal Audit Reports and significant Audit observations are brought to the attention of the Audit Committee of the company. The internal controls existing in the Company are considered to be adequate vis-a-vis the business requirements.

Your Company ensures adequacy with its current size and business, to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulations. It is supported by the internal audit process and will be enlarged to be adequate with the growth in the business activity.

27. Internal Auditors

In accordance with the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the company had appointed CA Neha Jain, Chartered Accountant, Ratlam as internal auditor of the company. The purpose of internal audit is to examine that the company is carrying out its operations effectively and performing the processes,

procedures and functions as per the prescribed norms. The internal auditors review the adequacy and efficiency of the key internal controls guided by the Audit Committee.

28. Explanation or comments on Auditor's Report:

Auditor's report being self explanatory, no comments are required to be given in terms of Section 134 (3) (f) (i).

29. Secretarial Audit

Pursuant the provision of the Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial personal) Rules, 2014, the board appointed CS Shweta Garg, Practicing Company Secretary, Indore to conduct Secretarial Audit of the Company for the financial year 2017 - 2018. The Secretarial Audit report in Form MR 3 is attached as **Annexure VI** and forms part of this report. The Secretarial Audit Report is self explanatory and no comments are required to be given on the same.

30. Management Discussion and Analysis

Management Discussion and Analysis Report for the year 2017-18, as stipulated under Regulation 34(2)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure VII** forming part of this Annual Report, and gives detail of overall industry structure, developments performance and state of affairs of the Company's operations during the year.

31. Risk Management Policy

The risk management framework of the company defines roles and responsibilities for arriving at risk rating criteria for assessing risk impact, likelihood of risks and effectiveness of mitigations plans. The process includes identifications of risks involved in various areas, zeroing on 'risk that matter', assessing mitigation plan and preparedness to face 'risk that matter'

32. Disclosure in respect of loan to employees for purchase of own shares

The company has not given any loan to any of the employees for purchasing its shares, hence the information pursuant of Section 67 of the Act read with Rule 16 of Companies (Share Capital & Debentures) Regulations, 2014 are nil.

33. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal), Act, 2013

No case was filed during the financial year under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal), Act, 2013.

34. Issue of Equity shares with differential voting rights, Sweat Equity, ESOP etc.

The company has not issued any equity shares with differential voting rights, Sweat Equity Shares or Shares to its employees under "Employee Stock Option Scheme" during the financial year.

35. Changes in Share Capital

The company issued 26,70,000 Equity Shares of Rs. 10/- each at a premium of Rs. 9/- per share vide resolution passed by circulation by board of director on 02.06.2018.

36. Auditors:

The members at the Annual General Meeting held on 30.09.2017, appointed M/s KVNG & ASSOCIATES, Chartered Accountants, Indore, as statutory auditor to hold office for a period of 5 years till 2022. The auditors have given a declaration to the company to the effect that the firm is not disqualified to continue as auditor in terms of the provisions of Section 141 of the Companies Act, 2013 read with Rule 4 and Rule 10 of the Companies (Audit & Auditors) Rules, 2013.

37. Acknowledgements

Your Directors convey a sense of high appreciations to all the employees of the company for their hard work, dedication continued commitment and significant contributions. Your Directors are grateful to acknowledge the support and cooperation's received from various departments of the Central and State Governments, Members, Business Associates, Analysts, Banks, Financial Institutions, Customers, Distributors and Suppliers.

For & on behalf of the Board of Directors

Place : Ratlam
Date : 01.09.2018

Sd/-
Rohit Kumar Jhalani
Whole Time Director (DIN : 00666443)

Shri Ram Bhawan,
Goshala Road, Ratlam,
457001, M. P., India

Sd/-
Nilesh Kumar Jhalani
Managing Director (DIN:
01462299)

Shri Ram Bhawan,
Goshala Road, Ratlam
457001, M.P., India

ANNEXURE I TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L31200MP1985PLC003026
ii	Registration Date	06.09.1985
iii	Name of the Company	SHRI RAM SWITCHGEARS LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Shri Ram Bhawan, Goushala Road, Ratlam, M.P. Indore, 457001 Website : www.shriramswitchgears.com E mail : info@shriramswitchgears.com Ph. No. 07412 235554, 231660, 233660
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D-153, 1st Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110 020 Ph. No. 011-64732681-88 Email Id: viren@skylinerta.com Website: www.skylinerta.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of electric power distribution transformers, arc-welding transformers, fluorescent ballasts, transmission and distribution voltage regulators	27102	80.00%
2	Other Electrical Items	27104	20.00%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARE S HELD	APPLICABLE SECTION
.....Nil.....					

b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	5175	0	5175	0.07%	1177019	0	1177019	11.76%	1171844	11.69%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	5257800	0	5257800	71.63%	6325541	0	6325541	63.19%	1067741	-8.44%
c) Others (specify) NRI	0	0	0	0	12000	0	12000	0.12%	12000	0.12%
SUB TOTAL (B)(2):	5262975	0	5262975	71.70%	7932975	0	7932975	79.25%	2658000	7.55%
Total Public Shareholding (B)= (B)(1)+(B)(2)	7340565	0	5262975	71.70%	7932975	0	7932975	79.25%	2658000	7.55%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7340565	0	7340565	100%	10010565	0	10010565	100%	2658000	0.00%

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding
		NO of shares	% of total shares of the	% of shares pledged	NO of shares	% of total shares of the	% of shares pledged	
1	Nilesh Kumar Jhalani	137250	1.87%	0	137250	1.37%	0	-0.50%
2	Rohit Kumar Jhalani	423750	5.77%	0	423750	4.23%	0	-1.54%
3	Devraj Jhalani	1516590	20.66%	0	1516590	15.15%	0	-5.51%
	Total	2077590	28.30%	0	2077590	20.75%	0	-7.55%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name of Shareholders (Promoters)	No. of shares held at the beginign of the year as in 01.04.2017			No. of shares held at the end of the year as in 31.03.2018*			
		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 encumb ered to total	% change in sharehol ding during the year
1	Nilesh Kumar Jhalani	137250	1.87%	0	137250	1.37%	0	-0.50%
2	Rohit Kumar Jhalani	423750	5.77%	0	423750	4.23%	0	-1.54%
3	Devraj Jhalani	1516590	20.66%	0	1516590	15.15%	0	-5.51%
	Total		28.30%	0	2077590	20.75%	0	-7.55%

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

Sl. No	Name of the Shareholders			Shareholding at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year	
		Date	Increase/decrease and reason for the same	No of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Umesh Kumar Jhalani	01.04.2017	-	1502955	20.47%	-	-
		31.03.2018	-	-	-	1502955	15.01%
2	Santosh Trilok Jhalani	01.04.2017	-	227940	3.11%		
		31.03.2018	-	-	-	227940	2.28%
3	Bharti Katyal	01.04.2017		0	0.00%		
		02.06.2017	78000 Public Issue			78000	0.78%
		31.03.2018		-	-	78000	0.78%

4	Meghna Jhalani	01.04.2017		160050	2.18%		
		31.03.2018	-	-	-	160050	1.60%
5	Arcadia Share & Stock B	01.04.2017	-	0	0.00%		
		02.06.2017	120000 Public Issue	-	-	120000	1.20%
		31.03.2018	-	-	-	120000	1.20%
6	Kaushika Naresh Kumar Jhalani	01.04.2017		226500	3.09%		
		02.06.2017	3000 Public Issue	-	-	229500	2.29%
		31.03.2018	-	-	-	229500	2.29%
7	Premlata Devi Jhalani	01.04.2017		758040	10.33%		
		31.03.2018	-	-	-	758040	7.57%
8	Shobha Devi Jhalani	01.04.2017	-	526725	7.18%	-	
		31.03.2018	-	-	-	526725	5.26%
9	Manuraj Jhalani	01.04.2017	-	555000	7.56%	-	-
		31.03.2018	-	-	-	555000	5.54%
10	Divik Kumar Jhalani	01.04.2017	-	76650	1.04%	-	-
		31.03.2018	-	-	-	76650	0.77%

(v) **Shareholding of Directors & KMP**

Sl. No	Name of the Shareholders	Date	Increase/decrease and reason for the same	Shareholding at the end of the year as on		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Nilesh Kumar Jhalani	01.04.2017	-	137250	1.87%		-
		31.03.2018		-	-	137250	1.37%
2	Rohit Kumar Jhalani	01.04.2017	-	423750	5.77%	-	-
		31.03.2018	-	-	-	423750	4.23%
3	Devraj Jhalani	01.04.2017	-	1516590	20.66%		-
		31.03.2018				1516590	15.15%
4	Amita Premswarop Patel	01.04.2017	-	-	-	-	-
		31.03.2018	-	-	-	-	-
5	Atul Krishan Khandelwal	01.04.2017	-	-	-	-	-
		31.03.2018	-	-	-	-	-
6	Sapna Jhalani	01.04.2017	-	1129275	15.38%	-	-
		31.03.2018	-			1129275	11.28%
7	CS Garima Mahalaha	01.04.2017	-	-	-	-	-
		31.03.2018					
8	Naresh Jhalani	01.04.2017	-	-	-	-	-
		31.03.2018	-	-	-	-	-

V INDEBTEDNESS

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

	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	337008572	46874873	0	383883445
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
	337008572	46874873	0	383883445
Total (i+ii+iii)	337008572	46874873	0	383883445
Change in Indebtedness during the financial year				
Additions	11280721	1364968	0	29243971
Reduction	27879003	1968500	0	29847503
Net Change	-16598282	-603532	0	-17201814
Indebtedness at the end of the financial year				
i) Principal Amount	320410290	46271341	0	366681631
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	320410290	46271341	0	366681631

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the			Total Amount
1	Gross salary	Mr. Nilesh Kumar Jhalani	Mr.Rohit Kumar Jhalani	Mr. Devraj Jhalani	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	600000	480000	480000	1560000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others (specify)	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	600000	480000	480000	1560000
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount
		Mrs. Amita Premswaroop Patel	Mr. Atul Krishan Khandelwal	
1	Name of Independent Directors			
	(a) Fee for attending board committee meetings	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non Executive Directors	0	0	0
	(a) Fee for attending board committee meetings	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify.	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Cieling as per the Act.			

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	Mrs. Sapna Jhalani (NED)	CS Garima Mahalaha	Naresh Jhalani (CFO)	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	252000	400000	652000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total		252000	400000	652000

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

Place : Ratlam **For SHRI RAM SWITCHGEARS LIMITED**
Date : 01.09.2018

Sd/-
Rohit Kumar Jhalani
Whole Time Director (DIN : 00666443)
Shri Ram Bhawan, Goshala Road, Ratlam,
457001, Madhya Pradesh, India

Sd/-
Nilesh Kumar Jhalani
Managing Director (DIN : 01462299)
Shri Ram Bhawan, Goshala Road, Ratlam,
457001, Madhya Pradesh, India

Annexure II to Board's Report
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Ratlam Electric Stores Prop. Mr. Chaitanya Kumar Jhalani (Father of Mr. Nilesh Kumar Jhalani - MD)
b.	Nature of contracts/ arrangements/ transaction	Purchase of goods
c.	Duration of the contracts/ arrangements/transaction	Ongoing
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 163516 /-
e.	Date of approval by the Board	N.A.
f.	Amount paid as advances, if any	Nil

Place : Ratlam
Date : 01.09.2018

For & on behalf of the Board of Directors
Sd/-

Rohit Kumar Jhalani
Whole Time Director (DIN : 00666443)

Shri Ram Bhawan,
Goshala Road, Ratlam,
457001, M. P., India

Sd/-

Nilesh Kumar Jhalani
Managing Director (DIN:
01462299)

Shri Ram Bhawan,
Goshala Road, Ratlam
457001, M.P., India

"Annexure-III"

Disclosure in Board's Report as per provisions of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirements	Disclosure		
		Name of Director	Category	Ratio
1	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:	Nilesh Jhalani	Managing Director	2.22
		Devraj Jhalani	Whole-time Director	1.78
		Rohit Kumar jhalani	Whole-time Director	1.78
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17 are as follows:			
		Name of Director	2017-18 (in Rs.)	2016-17 (in Rs.)
		Nilesh Jhalani (Managing Director)	600000	600000
		Devraj Jhalani (Whole-time Director)	480000	480000
		Rohit Kumar jhalani (Whole-time Director)	480000	480000
		Total	1560000	1560000
		*Naresh Jhalani (Chief Financial Officer)	400000	120000
		*Garima Mahalaha (Company Secretary cum Compliance Officer)	252000	63000
		Increase (%)		
3	Percentage increase in the median remuneration of employees in the financial year 2016-17 :			
		Particulars	2017-18 (in Rs.)	2016-17 (in Rs.)
		Median Remuneration of all employees per annum	270000	273000
				Increase (%)
4	Number of permanent employees on the rolls of company:	53	40	32.50
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	Average percentile decrease in the salaries of employees other than the Managerial Personnel is 1.10%. Whereas, there is no increase in the salary of all Managerial Personnel except Mr. Naresh Jhalani, CFO. It proves that the Company always works for the betterment of its employees and its efforts are concentrated towards the growth of the Company along with the employees.		
6	Key parameters for the variable component of remuneration availed by the Directors:	The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.		
7	Affirmation that the remuneration is as per the remuneration policy of the company:	Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company during the year.		
8	Disclosure pursuant to Section 197 (14) of the Companies Act, 2013:	There is no Director who receives any commission from the Company, even the Managing Director of the Company does not receive any Remuneration or Commission from the Subsidiaries Companies.		

NOTE:-

- 1 The Non Executive Independent Directors are not being paid any remuneration during the financial year . They are not entitled to receive any other remuneration. Details are given in the Corporate Governance Report.
- 2 In computation of Median Remuneration, Provident Fund is not included.

For SHRI RAM SWITCHGEARS LIMITED

Sd/-

Rohit Kumar Jhalani

Whole Time Director (DIN : 00666443)

Shri Ram Bhawan, Goshala Road, Ratlam, 457001, Madhya Pradesh, India

Sd/-

Nilesh Kumar Jhalani

Managing Director (DIN : 01462299)

Shri Ram Bhawan, Goshala Road, Ratlam, 457001, Madhya Pradesh, India

Annexure IV**II Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The names of top 10 employees in terms of Remnueration drawn during the year are given as follows:

Sr. No.	Name of the Employee	Remnueration received
1	Pooja W/o Parth	360000
2	Nitin Bhatt	300000
3	Narendra Singh	300000
4	Meghna W/O Jayesh	360000
5	Deepak Sharma	306000
6	Jitendra Kumar	306000
7	Dharmendra Barotia	300000
8	Jyotsana sethi	294000
9	Sikha Jain	300000
10	Shashank Singh	294000

There was no employee during the year, who:

i	If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, one crore and two lakh rupees ;
ii	If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less eight lakh and fifty thousand rupees per month;
iii	If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company

For SHRI RAM SWITCHGEARS LIMITED

Sd/-

Rohit Kumar Jhalani**Whole Time Director (DIN : 00666443)**

Shri Ram Bhawan, Goshala Road, Ratlam, 457001, Madhya Pradesh, India

Sd/-

Nilesh Kumar Jhalani**Managing Director (DIN : 01462299)**

Shri Ram Bhawan, Goshala Road, Ratlam, 457001, Madhya Pradesh, India

Annexure – V to Board's report

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

a) Conservation of energy

(i)	The steps taken or impact on conservation of energy	The company is taking all possible steps to conserve the energy to the maximum extent. Further, the company is always installing such plant & machinery and such electrical devices which minimize the power consumption.
(ii)	The steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	The capital investment on energy conservation equipments	Nil

(B) Technology absorption

(i)	The efforts made towards technology absorption	No further investment is made in Plant & machinery during the year.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and Outgo

Earnings	Nil
Outgo	Nil

Place : Ratlam
Date : 01.09.2018

For & on behalf of the Board of Directors

Sd/-

Rohit Kumar Jhalani
WTD (DIN : 00666443)

Shri Ram Bhawan,
Goshala Road, Ratlam,
457001, M. P., India

Sd/-

Nilesh Kumar Jhalani
MD (DIN: 01462299)

Shri Ram Bhawan,
Goshala Road, Ratlam
457001, M.P., India

FORM NO. MR 3
SECRETARIAL AUDIT REPORT

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

FOR FINANCIAL YEAR ENDED 31st MARCH 2018

To,
The Members,
Shri Ram Switchgears Limited,
Shri Ram Bhawan, Goushala Road,
Ratlam , M. P.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shri Ram Switchgears Limited having CIN U31200MP1985PLC003026 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Shri Ram Switchgears Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Shri Ram Switchgears Limited ("The Company") for the financial year ended on 31st March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

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

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

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

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

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

- (vi) Other specifically applicable laws to the company:

- i. Industrial Disputes Act, 1947
 - ii. The Minimum Wages Act, 1948

- iii. Employee State Insurance Act, 1948
- iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- v. The Contract Labour (Regulation and Abolition) Act, 1970
- vi. The Income Tax Act, 1961.
- vii. Indian Micro Small & Medium Scale Industries Development Act 2006
- viii. Factories Act, 1948.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

I further report that :

- a. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

I further report that

- a. there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules,

regulations and guidelines.

- b. there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Place : Indore

Signature

Sd/-

Date : 01.09.2018

CS SHWETA GARG

FCS : 5501

CP NO : 4984

Note: This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To,
The Members,
Shri Ram Switchgears Limited,
Shri Ram Bhawan, Goushala Road,
Ratlam , M. P.

Our report of even date is to be read along with this letter.

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

Place : Indore
Date : 01.09.2018

Signature

Sd/-

CS SHWETA GARG
FCS : 5501
CP NO : 4984

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

FINANCIAL YEAR 2017-18 - A GLANCE

Power is one of the critical component of infrastructure crucial for the economic growth and welfare of nation. The existence and development of the adequate infrastructure is essential for the substance growth of the Indian economic.

India's power sector is the one of the most diversified sector in the world. In India, source of power generation range from conventional sources such as Coal, Lignite, Natural gas, Oil, hydro and Nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste etc. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner.

Economic Background and Financial Background

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF)..

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

We are involved in the engineering and manufacturing of Electrical products. We manufacture Transformers (Power, Distribution, and Special Application) upto 5 MVA - 33 KV Class as well as Dry/Oil Type Compact Sub-Stations. We manufacture full range of HT & LT switchgears from Distribution boards to Distribution Boxes, Control and Relay Panel, Feeder Pillars, ACB Boxes, Single Phase Boxes, MCB & MCCB panels, Junction Boxes, A.C./D.C. Boards and other related products. We also undertake EPC contracts in the Power Transmission and Distribution sector covering the full range from design and engineering to testing and commissioning of electrical substations and transmission lines. Our Company is eligible for the power development projects issued by World Bank and Asian Development Bank. We have a vast experience in the power sector and whole gamut of Power Distribution and Transmission products in our product portfolio. This enables us to undertake and complete EPC contracts within quickest time frame and of the highest quality standards.

Our customers are majorly the Power DISCOMs (Distribution Companies). We cover the states of Maharashtra, Rajasthan, Gujarat, Madhya Pradesh, Delhi, Odisha, Uttar Pradesh for supply of our products and services. From engineers to skilled labours, everyone is motivated to manufacture the highest quality products in Our Company. Our Company has put a lot of systems in place for quality check and control. We have been accredited 41 with "ISO:9001-2008" certification for design and development, production, installation & marketing of electrical switchgear & transformers. We have always been a frontrunner in adapting technology ahead of its times.

For our manufacturing facility, we do not need a Water or Air Treatment plant as we are proud to say that our plant is a zero pollution emission plant and received certificate dated November 23, 2015 for the same from District Trade & Industries Centre, Ratlam. We recently got elected as member in general category by Confederation of Indian Industry (CII) for its State Council of Madhya Pradesh for the year 2017-18. We are also having skill champion award granted by LeapVault & FICCI We have ITI Ratlam under our control and we had the institution management committee of ITI Ratlam

Outlook

The company carries a strong goodwill due to its fair dealings and straight policies. The company believes that its long association and strategic arrangement with the suppliers, customer, banks and governments will be quit beneficial in the long run and shall provide various opportunities to the company in its business. The company is trying to keep up with the pace of growth of the Indian economy.

Opportunities

The recent modernisation and expansion program completed during financial year 2016-17 has enabled the company to reduce cost of production substantially. The management has also planned to introduce new value added products in the near future. The company is also trying to trap new areas for marketing its products.

- The opening up of new transmission projects and the debottlenecking of old stuck projects has led to order wins by many firms in the recent past for the Power Transformers.
- The upcoming new transmission projects and the green energy corridor will see more uptick in the power transformer segment going forward.
- The announcement of UDAY, RAPDRP, PPR & DDUGJY and the participation of 15 States already in the program has given many players some hope that the fiscal condition of DISCOM would improve and this would lead to more aggressive DTR purchases in the next few years to reduce the losses.

Threats

We operate in an increasingly high competitive market, with participation of organised and unorganised sector. We face competition from other manufacturers, traders, suppliers and importers of electric equipment in relation to our offerings. Suppliers in the electric equipment industry are based on key attributes including technical competence, product quality, strength of sales and distribution network, pricing and timely delivery. While our competitors in the organised sector focus more on technology and quality of their products, their unorganised counterpart supply their products at extremely competitive prices, which we may be unable to effectively compete with. For instance, we face competition from electric equipment of Chinese origin, primarily in the switch gear and lighting equipment verticals,

which have gained significant presence in the Indian electric equipment market and which may be sold at more competitive prices than what we offer.

Internal Control System and Adequacy

The company has adequate internal control procedure commensurate with its size and nature of the business the internal control system is supplemented by regular reviews by management and well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements the company continuously upgrades this systems in line with best accounting practices the company is benefited from having a team of professionals as promoter and independent directors who are capable of exercising various checks and controls effectively.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

1. Sources of funds/ Application of funds

(a) Share Capital

At present, the Company has only one class of shares – equity shares of par value of Rs. 10/- each. The Company's authorized share capital is Rs. 1200 Lakhs, divided into 120 Lakhs equity shares of Rs. 10/- each. The issued, subscribed and paid up capital stood at Rs. 1001.65 Lakhs as on March 31, 2018.

(b) Security Premium Reserve

The balance in securities premium reserve account as on March 31, 2018 amounted to Rs. 240.30 Lakhs.

(c) Profit and Loss Account

The balance in the Profit and Loss account as at March 31, 2018 is Rs. 590.67 Lakhs, which has increased from Rs. 365.82 Lakhs as reported in the previous year.

2. Deferred Tax Assets / Liabilities

We recorded an increase in deferred tax assets to Rs. 12.40 Lakhs as on March 31, 2018 as compared to Rs. 8.82 Lakhs during the previous year. We assess the likelihood that our deferred tax assets will be recovered from future taxable income. Deferred Liabilities were reported to be Nil.

3. Trade Receivables

There is an increase in trade receivables of the company as compared to previous year. The figure of Trade Receivables was reported at Rs. 4498.45 Lakhs as on March 31, 2018 which was Rs. 4214.20 Lakhs as on March 31, 2017.

4. Cash & Cash Equivalents

The Cash & Cash Equivalents of the company is being decreased as compared to previous financial year. The figure of Cash & Cash Equivalents was reported at Rs. 475.39 Lakhs as on 31st March, 2018 which was Rs. 633.84 Lakhs in the previous year.

5. Income from Operations

Income from operations reported a figure of Rs. 346.43 Lakhs as on 31st March, 2018 as compared to Rs. 315.40 Lakhs in the previous year ended 31st March 2017.

6. Revenue

Total revenue from operations decreased from 7090.53 Lakhs as on 31st March 2017 to Rs. 5495.49 Lakhs as on 31st March 2018 due to confusions in classification and rates of GST. However, the net profit remained almost constant due to reduction in cost of production.

7. Other Income

Income from other sources during the current year ended 31st March, 2018 was Rs. 58.71 Lakhs as compared to Rs. 56.09 Lakhs in the previous Financial Year ended 31st March 2017.

8. Earning Per Share

The earning per share for the Financial Year 2017-18 is Rs. 2.37/- in comparison to figure reported for Financial year 2016-17 i.e. Rs. 3.85/-.

Human resources

The company has impressive record of maintaining human relations at all levels in past due to the professional approach of the management the company has really faced any unrest or discomfort in connection with employees relation even during restructuring of employees/labor force post closure of solar operations the employee relation remained cordial during the year

Your company's philosophy on people is deep rooted in building and nurturing talent and leadership within the organization. We believe that our people have always been the drivers of innovation, efficiency and productivity leading to our consistent track record of growth The Company continuously invests in the development of its human resources through a series of employee friendly measures aimed at talent acquisition, development, motivation and retention. Our focus and belief lies in enabling and empowering our talent pool for the challenges of tomorrow by providing new avenues of learning and development through behavioral and leadership interventions.

Human Resources at Shri Ram Group of Industries serve as a steward for excellence and leadership through:

- Organizational effectiveness by ensuring good governance and adopting best practices
- Fair process for recruitment, retention and enrichment

- Continuous Employee Engagement
- By providing regular performance based incentives

Employee engagement at the company does not end with hiring of an employee; in fact it begins with the employee's appointment and continues through his whole career span in the organization.

The company is also carrying regular performance appraisal of employees to enable them identify their strengths and weaknesses and to strive for better performance.

CAUTIONARY STATEMENT

This report contains several forward-looking statements that involve risks and uncertainties, including, but not limited to, risks inherent in Indo Thai's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower, economic conditions, government policies and other factors. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto



KVNG & ASSOCIATES
Chartered Accountants

Branch Office:

308-310, Sapna Chamber, 12/1 South
Tukoganj, Indore 452001 (MP)
Phone: (O) 0713-2511196, 4050494
Mob: +91-98932 84638
Email : tejsinghkothari@gmail.com

INDEPENDENT AUDITOR'S REPORT

THE MEMBERS OF
SHRI RAM SWITCHGEARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SHRI RAM SWITCHGEARS LIMITED**, ("the company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2018 issued by the Central Government of India in terms of sub-Section (11) of Section 143 of The Companies Act 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended, 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 financial statements.
- II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
- III. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings

For **KVNG & Associates**

Chartered Accountants

(F. R. No. 002628C)

Sd/-

CA T.S. Kothari

Partner

M No. 075877

Place: RATLAM

Date: 29.05.2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

In terms of Companies (Auditor's Report) Order 2018, issued by Central Government of India, in terms of Section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that:-

1. (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) Fixed assets have been physically verified by the management at regular intervals. As informed to us no Material discrepancies were noticed on such verification.
- (iii) Based on our verification and according to information and explanations given to us, The title deeds of immovable properties shown in the financial statements are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by management. The discrepancies notices were properly dealt with in the books of account of the Company.
3. The Company has not granted any loans, secured or unsecured to companies, firms, LLPs, or other parties covered in register maintained under Section 189 of The Companies Act, 2013.
4. The Company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits.
6. The Company has not fall under the purview of the Companies as specified in sub-Section (1) of Section 148 of The Companies Act, 2013 and thus aforesaid Rules regarding Cost Audit is not applicable.
7. (i) The Company is regular in depositing undisputed statutory dues with appropriate authorities, However Provision of statutory dues as shown in current liabilities are yet not paid.
- (ii) According to the information and explanation give to us, there are no material statutory dues which have not been deposited with appropriate authorities on account of any dispute, except the following:

NAME OF THE STATUTE	SECTION	RELATING PERIOD	PENDING WITH JURISDICTION	O/S DEMAND AMOUNT
INCOME TAX ACT, 1961	220(2)	A.Y. 2010 - 11	CPC	1046
INCOME TAX ACT, 1961	143(3)	A.Y. 2013 - 14	CPC	237952
INCOME TAX ACT, 1961	201	A.Y. 2014- 15	CPC	3897

Total Demand of Rs. 1, 94, 520/- is outstanding in respect of TDS as on May 2018 for various assessment years.

8. In our opinion and according to the information and explanation give to us, the Company has not defaulted in any repayment of dues to any financial institution or bank.
9. According to the information and explanation give to us, the term loans has been utilized for the purposes for which they were obtained.

10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers/employees have been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The transactions entered into with related parties are in compliance with Section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
13. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
14. The Company has not entered into any non-cash transactions with directors or persons connected with him, during the year.
15. The Company is not required to be registered under Section 45-IA of The Reserve Bank of India Act, 1934.

For **KVNG & Associates**

Chartered Accountants

(F. R. No. 002628C)

Sd/-

CA T.S. Kothari

Partner

M No. 075877

Place: RATLAM

Date: 29.05.2018

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Under Clause (I) of Sub-Section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **SHRI RAM SWITCHGEARS LTD.** as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

Purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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 Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KVNG & Associates**
Chartered Accountants
(F. R. No. 002628C)
Sd/-
CA T.S. Kothari
Partner
M No. 075877

Place : RATLAM
Date : 29.05.2018

SHRI RAM SWITCHGEARS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars		Note No.	As at 31-3-2018	As at 31-3-2017
A	<u>EQUITY AND LIABILITIES</u>			
I	<u>SHAREHOLDERS' FUNDS</u>			
(a)	Share Capital	1	100,105,650	73,405,650
(b)	Reserves and Surplus	2	84,731,383	38,216,355
	(I)		184,837,033	111,622,005
II	<u>NON-CURRENT LIABILITIES</u>			
(a)	Long-Term Borrowings	3	180,233,472	191,647,067
(b)	Deferred Tax Liabilities	4	-	-
(c)	Long-Term Liabilities	5	45,503,341	21,636,260
	(II)		225,736,813	213,283,327
III	<u>CURRENT LIABILITIES</u>			
(a)	Short-Term Borrowings	6	168,912,438	172,757,309
(b)	Trade Payables	7	186,467,208	180,339,712
(c)	Other Current Liabilities	8	63,673,504	126,402,815
(d)	Short-Term Provisions	9	17,131,696	15,365,015
	(III)		436,184,846	494,864,851
	<u>TOTAL RUPEES (I + II + III)</u>		846,758,692	819,770,183
			=====	=====
B	<u>ASSETS</u>			
I	<u>NON-CURRENT ASSETS</u>			
(a)	<u>Fixed Assets</u>			
	Tangible Assets	10	34,513,506	41,183,950
(b)	Deferred Tax (assets)		1,239,866	882,866
(c)	Long-Term Loans and Advances	11	5,155,716	5,534,010
	(I)		40,909,088	47,600,826
II	<u>CURRENT ASSETS</u>			
(a)	Inventories	12	263,734,878	250,182,915
(b)	Trade Receivables	13	449,845,584	421,420,215
(c)	Cash and Bank Balances	14	47,538,594	63,384,168
(d)	Short-Term Loans and Advances	15	28,066,518	26,404,796
(e)	Other Current Assets	16	16,664,030	10,777,263
	(II)		805,849,604	772,169,357
	<u>TOTAL RUPEES (I + II)</u>		846,758,692	819,770,183
			=====	=====
	Significant Accounting Policies & Practices and Other Notes	26		

Notes form integral part of these financial statements

AS PER OUR REPORT OF THE EVEN DATE

PLACE : RATLAM
DATED : 29.05.2018

FOR : **KVNG & ASSOCIATES**
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/-
Ms. Garima Mahalaha
Company Secretary
M No. A37073

Sd/-
Nilesh Jhalani
Managing Director
Din : 01462299

Sd/-
Devraj Jhalani
Director
DIN - 01462323

Sd/-
Naresh Jhalani
CFO
M. NO. 075877

Sd/-
T.S Kothari
PARTNER

SHRI RAM SWITCHGEARS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars		Note No.	For the Year ended 31-3-2018	For the Year ended 31-3-2017
I	REVENUE			
	Revenue from Operations	17	551,288,239	728,710,403
	Less : Excise Duty Collected		1,739,399	19,656,599
II	Other Income	18	549,548,840 5,871,427	709,053,804 5,608,659
III	TOTAL REVENUE (I + II)		555,420,267	714,662,463
IV	EXPENSES			
(a)	Cost of Materials Consumed	19	294,376,893	497,201,443
(b)	Cost of Traded Good	20	-	39,155,847
(c)	Manufacturing and Operating Costs	21	32,528,189	31,527,291
(d)	Changes in Inventories of Finished Goods, Work-In-Progress and Traded Goods	22	5,473,055	(76,617,873)
(e)	Employees' Benefit Expenses	23	26,373,472	22,068,009
(f)	Finance Costs	24	76,313,263	71,372,302
(g)	Other Expenses	25	78,532,754	89,914,461
(h)	Depreciation		7,179,798	8,501,286
	TOTAL EXPENSES (IV)		520,777,424	683,122,766
V	Profit before exceptional and extraordinary items and tax (III-IV)		34,642,843	31,539,697
VI	Exceptional items		-	1,373,353
VII	Profit before extraordinary items and tax (V+VI)		34,642,843	32,913,050
VIII	Extraordinary items		-	127,000
IX	Profit before Tax (VII-VIII)		34,642,843	32,786,050
X	Tax Expense:			
(a)	Current Tax		12,514,815	12,196,176
(b)	(Less) : MAT Credit		-	-
(c)	Current Tax Expense relating to prior years		-	-
(d)	Deferred Taxation		(357,000)	(501,527)
			12,157,815	11,694,649
XI	Profit for the year (IX-X)		22,485,028	21,091,401
XII	Earnings per share (of Rs.10/- each):			
(a)	Basic		2.36	3.85
(b)	Diluted		2.36	3.85
	Significant Accounting Policies & Practices and Other Notes	26		

Notes form integral part of these financial statements

PLACE : RATLAM

DATED : 29.05.2018

For and on behalf of the Board of Directors

AS PER OUR REPORT OF THE EVEN DATE

FOR : KVNG & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

Ms. Garima Mahalaha

Company Secretary

M No. A37073

Sd/-

Nilesh Jhalani

Managing Director

Din : 01462299

Sd/-

Devraj Jhalani

Director

DIN - 01462323

Sd/-

Naresh Jhalani

CFO

Sd/-

T.S Kothari

PARTNER

M. NO. 075877

SHRI RAM SWITCHGEARS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2018 AND STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON THAT DAY

NOTE - 1 - SHARE CAPITAL

A Authorised and Paid-up Share Capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
<u>AUTHORISED</u>				
Equity Shares of Rs.10/- each	12,000,000	120,000,000	12,000,000	120,000,000
<u>ISSUED, SUBSCRIBED & PAID-UP</u>				
Equity Shares of Rs.10/- each Fully Paid-up	10,010,565	100,105,650	7,340,565	73,405,650
<u>TOTAL</u>	10,010,565	100,105,650	7,340,565	73,405,650

The company has issued only one class of equity shares having par value of Rs.10/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

B. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,340,565	73,405,650	4,893,710	48,937,100
Shares issued during the year	2,670,000	26,700,000	2,446,855	24,468,550
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,010,565	100,105,650	7,340,565	73,405,650

C. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Shri Umesh Kumar Jhalani	1502955	15.01	1502955	20.47
2 Smt. Premrata Devi Jhalani	758040	7.57	758040	10.33
3 Shri Devraj Jhalani	1516590	15.15	1516590	20.66
4 Smt Shobha Devi Jhalani	526725	5.26	526725	7.18
5 Shri Manuraj Jhalani	555000	5.54	555000	7.56
6 Smt. Sapna Devi Jhalani	1129275	11.28	1129275	15.38
7 Shri Rohit Kumar Jhalani	423750	4.23	423750	5.77

NOTE - 2 - RESERVES AND SURPLUS

Particulars	31-3-2018	31-3-2017
A. Capital Reserve		
Balance as per last year	1,634,217	1,634,217
(A)	1,634,217	1,634,217
B. Securities Premium Account		
Opening Balance	0	
Add : Premium received on shares issued in current year	24,030,000	-
(B)	24,030,000	-
C. Surplus		
Balance as per last year	36,582,138	35,441,582
Add : Net Profit transferred from Statement of Profit and Loss	22,485,028	21,091,406
Less : Surplus Utilized during the year for Issue of Bonus Shares	-	19,950,850
(C)	59,067,166	36,582,138
TOTAL RUPEES (A+B+C)	84,731,383	38,216,355

NOTE - 3 - LONG-TERM BORROWINGS

Particulars	31-3-2018	31-3-2017
A Term Loans		
Secured		
From Banks	91,026,294	79,745,573
From Non-Banking Finance Companies	60,471,558	84,505,690
(A)	151,497,852	164,251,263
B Loans and Advances from related parties		
Unsecured		
From realated parties	44,203,841	42,838,873
From Share Holders	-	-
(B)	44,203,841	42,838,873
C Other Loans and Advances		
Unsecured		
From Body Corporates	2,067,500	4,036,000
(C)	2,067,500	4,036,000
Less: Current Maturity of Long Term Debts	17,535,721	19479069.00
TOTAL RUPEES (A+B+C)	180,233,472	191,647,067

Nature of Security and terms of repayment for Long Term Secured Borrowings:

S. No.	Nature of Security	Terms of Repayment
1	UCO Bank Term Loan (Against hyp of plant & machinery)	Repayable in 20 Quarterly EMI of Rs. 17,40,000/- from June 2015 to May 2020.
2	Vehicle Loan - SBI I (Against hyp of Vehicle)	Repayable in 60 EMI of Rs. 14,400/- from Sep 2013 to Aug 2018.
3	Vehicle Loan - SBI II (Against hyp of Vehicle)	Vehicle Loan - SBI II, Repayable in 78 EMI of Rs. 14,000/- from May 2015 to Dec 2021.
4	Vehicle Loan ICICI I (Against hyp of Vehicle)	Vehicle Loan ICICI Bank I, Repayable in 36 EMI of Rs. 50,000/- from Nov 2016 to Oct 2019, 12 EMI of Rs. 42,000/- & Rs. 31,300/- each starting from Nov 2016
5	Au financiers (I) Ltd I (Against mortgage of Immovable Property)	AU Financers (I) Ltd. - I. Repayable in 116 EMI of Rs. 3,76,609/- from Apr 2016 to Nov 2025.
6	Au financiers (I) Ltd II(Against mortgage of Immovable Property)	AU Financers (I) Ltd. - I. Repayable in 120. EMI of Rs. 75,381/- from Jan 2016 to Dec 2025
7	Au Financiers (I) Ltd III Car loan (Against hyp of Vehicle)	Au Financiers (I) Ltd III Car loan , Repayable in 36 EMI of Rs. 10583 from Aug 2016 to Jul 2019, 18 EMI of Rs. 46436 from Apr2018 to Sep 2019, 18 EMI of Rs. 23218 from Apr 2018 to Sep 2019, 18 EMI of Rs. 18575 from Apr 2018 to Sep 2019
8	Au Small Finance Bank, Ratlam	Au Small Finance bank Ratlam- Repayble in120 EMI of Rs 358346/-
9	SIDBI Term Loan (Second charge by way of hyp of all immovable property of the borrower including plant & machinery, equipments & furniture)	SIDBI Term Loan. Repayable in 48 EMI of Rs. 6,25,000/- starts from Sep 2019 till Aug 2023.
10	Religare Finvest ltd (Against mortgage of Immovable Property)	Religare Finvest Ltd - Repayable in 97 EMI of Rs. 12,47,436/- from Apr 2016 - Apr 2024.
11	Sundaram Finance Ltd (Against hyp of Vehicle)	Sundaram Finance Ltd Ratlam- Repayble in 46 .EMI of Rs 15500/- from May 2015 to March 2019

NOTE - 4 - DEFERRED TAX LIABILITIES

Particulars	31-3-2018	31-3-2017
Balance as per last year	-	-
Less : Reversal during the year	-	-
<u>TOTAL RUPEES</u>	-	-

NOTE - 5 - LONG-TERM LIABILITIES

Particulars	31-3-2018	31-3-2017
Others	45,303,341	21,436,260
Rent Deposit	200,000	200,000
<u>TOTAL RUPEES</u>	45,503,341	21,636,260

NOTE - 6 - SHORT-TERM BORROWINGS

Particulars	31-3-2018	31-3-2017
<u>Working Capital Loans repayable on demand</u>		
From Banks	168,912,438	172,757,309
[Secured by way of First/ pari passu Charge and Hypothecation of entire stock of raw materials, semi-finished and finished goods, consumables stores and spares and other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future]		
<u>TOTAL RUPEES</u>	168,912,438	172,757,309

NOTE - 7 -TRADE PAYABLES

Particulars	31-3-2018	31-3-2017
Creditors for Goods	186,467,208	180,339,712
<u>TOTAL RUPEES</u>	186,467,208	180,339,712

NOTE - 8 - OTHER CURRENT LIABILITIES

Particulars	31-3-2018	31-3-2017
Current Maturities of Long Term Debts	17,535,721	19,479,069
Creditors for Expenses	5,168,537	-
Advance from Customers	-	35,944,943
LC in Transit	30,542,289	59,684,915
Other Payables	10,426,957	-
<u>TOTAL RUPEES</u>	63,673,504	115,108,927

NOTE - 9 - SHORT-TERM PROVISIONS

Particulars	31-3-2018	31-3-2017
For Taxation	12,514,815	12,425,816
For Outstanding Exp	3,174,860	2,939,199
For Others	1,442,021	-
<u>TOTAL RUPEES</u>	17,131,696	15,365,015

**Depreciation Schedule : 10 As Per Companies Act 2013
FOR THE YEAR 2017-18**

NOTE - 10 - FIXED ASSETS

[illegible]

NOTE - 11 - LONG-TERM LOANS AND ADVANCES

Particulars	31-3-2018	31-3-2017
Security Deposits [Unsecured, considered good]	5,155,716	5,534,010
<u>TOTAL RUPEES</u>	5,155,716	5,534,010

NOTE - 12 - INVENTORIES

Particulars	31-3-2018	31-3-2017
Raw Materials	73,828,133	54,803,115
Work-In-Progress	180,227,885	189,550,455
Finished Goods	9,678,860	5,829,345
<u>TOTAL RUPEES</u>	263,734,878	250,182,915

NOTE - 13 - TRADE RECEIVABLES

Particulars	31-3-2018	31-3-2017
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered Good	93,379,456	135,142,439
- Unsecured, considered Doubtful	-	-
Trade Receivables outstanding for a period of six months or less from the date they are due for payment [Unsecured, considered good]	356,466,128	286,277,776
<u>TOTAL RUPEES</u>	449,845,584	421,420,215

NOTE - 14 - CASH AND BANK BALANCES

Particulars	31-3-2018	31-3-2017
A <u>Cash and Cash Equivalents</u>		
Balances with Banks	717,485	1,400,644
Cash on Hand	96,181	1,212,570
(A)	813,666	2,613,214
B <u>Other Bank Balances</u>		
Fixed Deposit Accounts with more than 12 months maturity	46,724,928	60,770,954
(B)	46,724,928	60,770,954
<u>TOTAL RUPEES</u> (A+B)	47,538,594	63,384,168

NOTE - 15 - SHORT-TERM LOANS AND ADVANCES

Particulars	31-3-2018	31-3-2017
Prepaid Expenses	2,878,892	1,789,983
Advance to Employees	1,538,542	1,371,553
Advance to Others	18,589,277	21,021,185
Pre issue exp	505,987	2,222,075
<u>TOTAL RUPEES</u>	28,066,518	26,404,796

NOTE - 16 - OTHER CURRENT ASSETS

Particulars	31-3-2018	31-3-2017
Duties & Taxes	6,493,860	904,963
Advance Income Tax, TDS & TCS	10,170,170	9,872,300
<u>TOTAL RUPEES</u>	16,664,030	10,777,263

NOTE - 17 - REVENUE FROM OPERATIONS

Particulars	31-3-2018	31-3-2017
A. <u>Sale of Products</u>		
Sale of Products (Manufacturing)	80,278,222	176,898,817
<u>Sale of Products(Project)</u>	368,646,480	437,879,439
(i)	448,924,702	614,778,256
Traded Goods (ii)	-	40,857,943
(A) (i+ii)	448,924,702	655,636,199
B. <u>Sale of Services</u>		
Project Sales (Erection)	102,363,537	73,074,204
(B)	102,363,537	73,074,204
<u>TOTAL RUPEES</u> (A+B)	551,288,239	728,710,403

NOTE - 18 - OTHER INCOME

Particulars	31-3-2018	31-3-2017
Interest Income	3,226,340	4,505,517
Job Work received	351,714	-
Discount On Purchase	14,722	339,738
Insurance Claim	1,486,972	106,437
Subsidy Received	-	240,888
Excess Vat	-	63,729
Rent Received	303,130	352,350
Sales Tax Refund	488,549	-
<u>TOTAL RUPEES</u>	5,871,427	5,608,659

NOTE - 19 - COST OF MATERIALS CONSUMED

Particulars	31-3-2018	31-3-2017
Opening Stock	54,803,115	77,792,207
Add : Purchases	313,401,911	474,212,351
	368,205,026	552,004,558
Less : Sales as such	-	-
	368,205,026	552,004,558
Less : Closing Stock	73,828,133	54,803,115
<u>TOTAL RUPEES</u>	294,376,893	497,201,443

NOTE - 20 - COST OF TRADED GOODS

Particulars	31-3-2018	31-3-2017
Purchases	-	39,155,847
<u>TOTAL RUPEES</u>	-	39,155,847

NOTE - 21 - MANUFACTURING AND OPERATING COSTS

Particulars	31-3-2018	31-3-2017
Power Charges	1,879,235	2,372,241
Job Work Expenses	30,234,663	28,468,034
Testing Charges	414,291	687,016
<u>TOTAL RUPEES</u>	32,528,189	31,527,291

NOTE - 22 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	31-3-2018	31-3-2017
A <u>Inventories at the end of the year</u>		
Work-In-Progress	180,227,885	189,550,455
Finished Goods	9,678,860	5,829,345
Traded Goods	-	-
(A)	189,906,745	195,379,800
B. <u>Inventories at the beginning of the year</u>		
Work-In-Progress	189,550,455	99,552,972
Finished Goods	5,829,345	19,208,955
Traded Goods	-	-
(B)	195,379,800	118,761,927
<u>CHANGES IN INVENTORIES</u> (A-B)	(5,473,055)	76,617,873

NOTE - 23 - EMPLOYEES' BENEFIT EXPENSES

Particulars	31-3-2018	31-3-2017
Directors' Remuneration	1,560,000	1,565,545
Wages to Workers	5,155,304	3,564,063
Salary to Staff	12,381,260	7,249,637
Contribution towards Provident Fund	253,055	192,696
Contribution towards ESIC	99,994	76,579
Gratuity to Staff	26,475	39,527
Bonus / Incentive to Staff	220,105	932,300
Staff & Labour Welfare Expenses	6,677,279	8,447,662
<u>TOTAL RUPEES</u>	26,373,472	22,068,009

NOTE - 24 - FINANCE COSTS

Particulars	31-3-2018	31-3-2017
Interest to Bank	35,423,146	25,056,221
Interest to Other	25,556,523	32,428,272
Bank Charges & Commission	15,333,594	13,887,809
<u>TOTAL RUPEES</u>	76,313,263	71,372,302

NOTE - 25 - OTHER EXPENSES

Particulars		31-3-2018	31-3-2017
A	<u>Administrative Expenses</u>		
	Stationery & Printing	217,330	328,299
	Postage, Courier & Telephone Expenses	298,406	284,750
	Rates and taxes (excluding taxes on income)	-	-
	Entry Tax	96,636	507,098
	Professional tax	140	2,500
	Income Tax Expenses	1,643,540	2,340,578
	CST	503	600
	Excise Duty	110,870	219,860
	Vat reversal	-	1,397,889
	Vat Expense	-	14,176,553
	Service Tax	148,926	2,297,591
	Compensation Exp	-	3,220,500
	Godown Rent	-	52,300
	Insurance	1,209,124	2,341,331
	Statutory Audit Fees	80,000	80,900
	Travelling Expense	2,099,364	2,066,547
	Legal & Professional Expense	5,431,864	10,924,907
	Labour Charges	115,350	-
	Conveyance Expense	7,008,212	3,673,953
	Purchase Expense	4,072,645	9,210,654
	Repairs to buildings	274,829	671,148
	Repairs to machinery	766,854	957,457
	Office Rent	323,558	-
	Rent	1,800,000	360,589
	Auditors' Exp	25,623	-
	Electric Exp	43,210	26,554
	Erection Charges	1,399,540	2,788,991
	Fees on Tax Matters	459,200	371,200
	peer review fees	15,000	17,250
	Labour Welfare exp	187,733	-
	Consulatancy Charges	1,118,695	710,700
	Computer Running & Maintenance	117,927	91,180
	Packing Exp	1,006,444	15,407
	Preliminary Expense	562,201	-
	Registration and Subscription Charges	271,209	449,727
	Site Expense	1,382,467	1,123,200
	Security Charges	859,743	154,111
	Tender Fees Exp	122,454	112,355
	Vat Form 32	117,244	-
	Vehicle hiring Charges	790,672	523,319
	Donation	8,351	11,000
	Round off	71	10
	Miscellaneous	592,032	396,029
	(A)	34,777,967	61,907,037
B.	<u>Selling & Distribution Expenses</u>		
	Freight & Insurance Expenses	985,507	1,708,246
	Commission	2,088,213	962,783
	Discount on Sales	38,257,098	22,851,165
	Loading Unloading Expenses	526,240	1,395,824
	Advertisement & Publicity	70,461	-
	Sales Promotion Expenses	1,827,268	1,089,406
	(B)	43,754,787	28,007,424
	TOTAL RUPEES (A+B)	78,532,754	89,914,461

SHRI RAM SWITCHGEARS LIMITED
CASH FLOW STATEMENT FOR YEAR ENDED MAR 31st, 2018

PARTICULARS		FY 2017-18	FY 2016 - 17
A	<u>CASH FLOW FROM OPERATING ACTIVITIES :</u>		
	NET PROFIT AFTER TAX & EXTRA ORDINARY ITEMS	22,485,028	21,091,401
ADD :	PROVISION FOR TAXES MADE DURING THE YEAR	12,157,815	11,694,649
ADD :	EXTRA ORDINARY ITEM DEBITED TO PROFIT & LOSS A/C	0	127,000
LESS :	EXCEPTIONAL ITEM CREDITED TO PROFIT & LOSS A/C	0	(257,894)
LESS :	TRF FROM FOREIGN CURRENCY FLUCTUATION RESERVE	0	(1,115,456)
	NET CASH BEFORE TAX & EXTRA ORDINARY ITEM	34,642,843	31,539,700
	<u>ADJUSTMENT FOR NON CASH & NON OPERATING ITEMS :</u>		
ADD :	DEPRECIATION	7,179,798	8,501,286
ADD :	INTEREST ON BORROWINGS	60,979,669	57,484,493
LESS :	RENT EARNED DURING THE YEAR	-303130	(352,350)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	102,499,180	97,173,129
ADD :	INCREASE IN CURRENT LIABILITIES	0	126,386,841
LESS :	INCREASE IN CURRENT ASSETS	49,525,821	124,393,106
LESS :	DECREASE IN CURRENT LIABILITIES	58,769,004	0
	CASH GENERATED FROM OPERATIONS	(5,795,645)	99,166,864
LESS :	INCOME TAX PAID	12,425,816	4,770,360
	CASH FLOW BEFORE EXTRAORDINARY ITEMS	(18,221,461)	94,396,504
LESS :	EXTRA ORDINARY ITEMS	0	127,000
A	NET CASH FROM OPERATING ACTIVITIES	(18,221,461)	94,269,504
B	<u>CASH FLOW FROM INVESTING ACTIVITIES :</u>		
ADD :	DECREASE IN LOANS & ADVANCES (ASSETS)	378,294	2,826,938
ADD :	RENT EARNED DURING THE YEAR	303130	352,350
LESS :	PURCHASE OF FIXED ASSETS	509,354	2,624,987
B	NET CASH FROM INVESTING ACTIVITIES	172,070	554,301
C	<u>CASH FLOW FROM FINANCING ACTIVITIES :</u>		
	SHARE CAPITAL	26700000	0
	SHARE PREMIUM	24030000	0

C	FOREIGN EXCHANGE GAIN / (LOSS)	0	257,898
	REPAYMENT OF LONG TERM BORROWINGS	12,453,486	(44,229,793)
	INTEREST ON BORROWINGS	(60,979,669)	(57,484,493)
	NET CASH USED IN FINANCING ACTIVITIES :	2,203,817	(101,456,388)
	NET INCREASE / DECREASE IN CASH & CASH EQUIVALENTS	(15,845,574)	(6,632,583)
	ADD : CASH & CASH EQUIVALENTS IN THE BEGINNING CASH IN HAND / BANK	63384168	70,016,751
	CASH AND CASH EQUIVALENTS AT THE END OF YEAR	47,538,594	63,384,168

Comparative Figures have been regrouped, wherever necessary.

As Per Our report of even date

For KVNG & Associates

Chartered Accountants

For and On behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
T. S. Kothari	Ms. Garima Mahalaha	Naresh Jhalani	Nilesh Jhalani
Partner	Company Secretary	Chief Financial Officer	Managing Director
M No. 075877	M No. A37073		Whole Time Director
		DIN - 01462299	DIN - 01462323

Place : Ratlam

Date : 29.05.2018

NOTES TO THE FINANCIAL STATEMENTS

Note No.1 Corporate information

The company had made an initial Public Offer (IPO) of 26,70,000 (Twenty Six Lac Seventy Thousand) Equity Shares during the Previous year through book building process to public and the Company got listed on the SME Platform of the National Stock Exchange effective Jun 07,2017. The status of the Company has changed to listed public company.

NOTE NO .2 Significant Accounting Policies

A. Basis of Preparation of Financial Statements / use of Estimates

(i) These financial statements have been prepared in compliance with the generally Accepted Accounting Principles in India including the Accounting standards notified under the provisions of the companies Act, 2013. The Financial Statements are prepared on accrual basis under the historical cost convention and are presented in Indian rupees, rounded off the nearest rupees.

(ii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial Statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimate are recognized in the period in which the results are known /Materialized. Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent.

B. Valuation of Inventories (AS-2)

Raw Material at cost or net realizable value whichever is less, whereas WIP and finished goods are valued at cost. The cost being the latest applicable purchase price since the closing stocks mostly represents items out of the latest purchases . Traded goods are valued at cost.

C. Cash Flow (AS-3)

Cash Flow statement has been prepared adopting the `Indirect method as prescribed under Para 18 of the accounting Standard -3 on `Cash flow statement.

D. Revenue Recognition (AS-9)

Revenue (Income) is recognized on accrual basis when no significant uncertainty as to measurability or collectability exists. Revenues are reported net of discounts. Dividends are recorded when the right to receive payable is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

E. Fixed Assets (AS-10)

Fixed assets are stated at cost net of duty credit availed less accumulated depreciated and impairments, If any. The cost includes cost of acquisition/construction, installation and preoperative expenditure including Trial run expenses (Net of revenue) and borrowing costs incurred during pre-operation period. Expenses Incurred on capital assets are carried forward as capital work in progress at cost till the same are ready for use.

F. Accounting for Investments (AS-13)

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-Term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.

G. Employee Benefits (AS-15)

1. Short term employee benefits are recognized as an expense at undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

2. Post employment benefits: these comprise of defined contribute plans (provident fund).The expense is Recognized at the present value of the amount payable determined using actuarial valuation Techniques.

H. Borrowing Cost (As-16)

Borrowing costs that are attributable to the acquisition of fixed assets is capitalized as part of the cost of fixed assets till the date it is put to use. Other borrowing cost is recognized as expenditure in The Period in which they are accrued.

I. Related Party Transaction (As-18)

Disclosure is being made separately for all the transaction with related parties as specified under accounting standard 18, issued by the Institute of Chartered Accountants of India.

J. Earnings per shares (AS-20)

The company report basic and diluted earnings per share (EPS) in accordance with the accounting Standard 20 (AS-20) issued by the institute of Chartered Accountants of India. The basic EPS is computed by dividing the net profit or loss for the year by weighted average number of equity Shares outstanding, during the accounting period. Diluted earnings per equity share are computed by using the weighted average number of equity shares and dilutive potential equity shares Outstanding during the period.

K. Taxes on Income (AS-22)

Current income tax expense comprises taxes on income from operations in India and in foreign Jurisdictions. income tax payable in India is determined in accordance with the provision of the Income tax act,1961.Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operation are domiciled.

Minimum alternative tax (MAT) paid in accordance with the tax laws in India, which gives rise to future Economic benefits in the form of adjustment of future income tax liability, is considered as an Asset if there is convincing evidence that the company will pay normal income tax after the tax Holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the Asset will fructify. Deferred tax expenses or benefit is recognized on timing differences being the Difference between taxable Income and accounting income tax originate in one period and is likely to reverse in one or more subsequent periods. Differed tax assets and liabilities are measured using the tax rates and tax rates and tax laws that have been enacted or substantively Enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of loses, deferred tax assets are recognized Only to the extent that there is virtual certainty that sufficient future taxable income will be Available to release such assets. In other situation s, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-Setting advance taxes paid and income tax provisions arising in the same tax jurisdiction for relevant taxpaying units and where the company is able to and intends to settle the asset and Liability on a net basis.

The company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

L. Impairment of Assets (AS-28)

At each balance sheet date, the management review the carrying amounts of its assets included in each case generating unit to determine whether there is any indication that those assets were Impaired. If any such indication exists, the recoverable amount of the asset is estimated in Order to determine the extent of impairment loss. Recoverable amount is the higher of an Asset's net selling price and value in use. In Assessing value in use, the estimated future Cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current Market assessments of time value of money and the risks specific to the asset. Reversal Of impairment loss is recognized immediately as income in the statement of profit and loss.

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles Requires management to make estimates and assumptions that affect the reported Amounts of assets and liabilities and the disclosure of contingent assets and liabilities On The date of the financial statements and the results of operations during the reporting Periods. although these estimates are based upon management's best knowledge of Current events and actions, actual results could differ from those estimates and Revisions, if any, are recognized in the current and future periods.

N .Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. depreciation on tangible fixed assets have been provided on the Straight-line method as per the useful life prescribed in schedule II to the companies Act,2013 effective from April 01,2014 and depreciation on tangible fixed assets up to March 31,2014 was provided at the rates and manner prescribed in schedule in Schedule XIV of the companies Act,1956

O. Provisions, Contingent Liabilities and Contingent assets

A provision is recognized when the company has a present obligation as a result of past event and it is Probable that an outflow of resources will be required to settle the obligation, in respect of Which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. Contingent asset is neither recognized nor disclosed in the financial statements.

P. Micro, small & Medium Enterprises Development Act, 2006

The company has not received any memorandum (as required to be filled by the suppliers with the Notified authority under the micro, small and medium enterprises development Act, 2006) Claiming their status as micro, small and medium enterprises. Consequently the amount Paid/payable to these parties during the year is not ascertainable. consequently, as of Now, it is neither possible for the company to ascertain whether payment to such Enterprises has been made within 45 days from the date of acceptance of supply of Goods or services rendered by a supplier nor to give the relevant disclosures as required Under the act. This has been relied upon by the auditors.

Q. Except where stated, accounting policies are consistent with the generally accepted accounting Principles and have been consistently applied.

R. Contingent Liabilities and Commitments (To the extent not provided for)

Particulars	31.03.2018	31.03.2017
Contingent Liabilities		
Letter of Credits	3,05,42,289	5,96,84,915
Bank Guarantees Issued & Outstanding	36,26,80,320	38,98,47,763
Total	39,32,22,609	44,95,32,678

S. RELATED PARTY DISCLOSURES :

NAME OF RELATED PARTY

A. ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL & THEIR RELATIVES HAS SIGNIFICANT INFLUENCE

. MAHALAXMI INVESTMENT & TRADING PVT. LTD.
 URBAN DEVELOPMENT TRUST PVT.LTD.
 SHRI RAM SWITCHGEAR, RATLAM.
 SHRI RAM SWITCHGEAR, MAHARASHTRA.
 RATLAM ELECTRIC STORES.

B. KEY MANAGEMENT PERSONNEL

NILESH KUMAR JHALANI
 ROHIT KUMAR JHALANI
 DEVRAJ JHALANI
 NARESH JHALANI
 GARIMA MAHALAHA

RELATION

MANAGING DIRECTOR
 WHOLE TIME DIRECTOR
 WHOLE TIME DIRECTOR
 CHIEF FINANCIAL OFFICER
 COMPANY SECRETARY

C. RELATIVES OF KEY MANAGEMENT PERSONNEL

JAYESH KUMAR JHALANI
 PREMRAJ JHALANI
 SAPNA JHALANI
 SHOBHA DEVI JHALANI

Note : Related Party relationship is as identified by the Company and relied upon by the Auditors.

TRANSACTIONS WITH RELATED PARTIES AS PER THE BOOKS OF ACCOUNTS DURING THE YEAR

Payment of Expenses	Related Parties					
	Referred in A Above		Referred in B Above		Referred in C Above	
	2017 - 2018	2016 -2017	2017 - 2018	2016 -2017	2017 - 2018	2016 -2017

SALES	14.48	856.29	NIL	NIL	NIL	NIL
JOB WORK RECEIVED	0.35	NIL	NIL	NIL	NIL	NIL
PURCHASE	1891.59	1245.31	NIL	NIL	NIL	NIL
INTEREST ON LOAN	9.82	NIL	26.92	45.31	7.29	15.23
AMOUNT PAYABLE	1319.80	1097.76	166.92	258.91	81.27	46.28
REMUNERATION	NIL	NIL	22.12	16.8	NIL	NIL
OTHER ALLOWANCES	NIL	NIL	NIL	0.06	NIL	NIL
RENT EXPENSES	18.00	NIL	NIL	NIL	NIL	NIL

T. Basic and Diluted Earnings Per Share (EPS), of face value Rs. 10/-

	31.03.2018	31.03.2017
<u>Numerator</u>		
Net profit for the year	22,485,028	21,091,401
<u>Denominator</u>		
Weighted average number of equity share outstanding during the year	9,513,140	5,476,933
Net Worth (Rs. In lacs)	184,837,033	111,622,005
Earnings per share (annualised)		
Basic	2.36	3.85
Diluted	2.36	3.85
Return on Net worth (in %)	12.16	18.90
Net Asset Value Per Share	19.43	20.38
Nominal Value Per Equity Share	10.00	10.00

U. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current Year's classification/disclosure.



Our Banker's



External Bank loan Rating by



ISO Certification by



Members

