

Advanced Sys-Tek Private Limited

Statutory Audit for the year ended

31 March 2017

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

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Independent Auditor's Report

To the Members of **Advanced Sys-Tek Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Advanced Sys-Tek Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's 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 thereunder.

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.

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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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the said Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act,
- e) On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note 29 of the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer note 35 of the financial statements;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 – Refer note 44 of the financial statements.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: *19 September 2017*

Annexure A referred to in our Independent Auditor's Report to the members of Advanced Sys-Tek Private Limited on the financial statements for the year ended 31 March 2017

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, all fixed assets were physically verified during the year. As informed to us, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the name of Company.
- (ii) The inventory, except goods-in-transit and stocks lying at customer locations (accounted as contract inventory with customers), has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. As informed to us, no material discrepancies were noticed on verification between physical stocks and book records. Considering the specialized nature of the inventory, we are of the opinion that physical verification of stocks lying at customer locations is not possible. Also, no written third party confirmations were received for stocks lying at customer locations.
- (iii) According to the information and explanations given to us, we are of the opinion that the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loan or made any investment or provided any guarantee or security as specified under section 185 and 186 of the Act. Accordingly, the paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provision of section 73 to section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, the paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the products sold or services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Duty of Excise, Income tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been serious delays in certain cases related to deposit of sales tax and slight delay in one case related to deposit of professional tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Duty of Excise, Income tax, Sales tax, Service tax, Duty of Customs, Value Added tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, except as stated below, the Company did not have any dues on account of Income tax, Duty of Excise, Sales tax, Service tax, Duty of Customs and Value Added tax which have not been deposited with the appropriate authorities on account of any dispute:

S.No	Name of the statute	Nature of the dues	Amount Involved (Rs.) #	Amount paid under protest (Rs.)	Financial year	Forum where dispute is pending
1	The Income-tax Act, 1961	Income-tax	101,312,409	11,773,367	2012-13	Commissioner of Income Tax (Appeals)
2	The Income-tax Act, 1961	Income-tax	86,830,836	10,680,026	2013-14	Commissioner of Income Tax (Appeals)
3	The Custom Act, 1962	Customs duty	14,716,873	3,500,000	2001-02	Customs, Excise and Service Tax Appellate Tribunal
4	The Custom Act, 1962	Customs duty	23,262	-	2006-07	Customs, Excise and Service Tax Appellate Tribunal
5	The Finance Act, 1994	Service tax	7,788,327	7,788,327	2009-13	Commissioner of Service tax
6	Gujarat VAT Act, 2003	Sales tax	19,393,571	2,000,000	2009-10	Deputy Commissioner of Commercial Tax
7	Gujarat VAT Act, 2003	Sales tax	14,475	-	2009-10	Deputy Commissioner of Commercial Tax
8	Jharkhand VAT Act, 2006	Sales tax	1,151,934	-	2012-13	Assessing officer
9	Gujarat VAT Act, 2003	Sales tax	677,915	677,915	2006-07	Joint Commissioner of Commercial Tax (Appeals)
10	Gujarat VAT Act, 2003	Sales tax	489,113	-	2011-12	Joint Commissioner of Commercial Tax (Appeals)

54

S.No	Name of the statute	Nature of the dues	Amount Involved (Rs.) #	Amount paid under protest (Rs.)	Financial year	Forum where dispute is pending
11	Maharashtra VAT Act, 2002	Sales tax	1,121,110	250,000	2003-04	Sales tax Appellate Tribunal
12	Kerala VAT Act, 2003	Sales tax	1,236,357	371,000	2007-08	Kerala VAT Tribunal
13	Uttar Pradesh VAT Act, 2008	Sales tax	1,609,334	804,667	2010-11	Commissioner of Commercial Tax
14	Uttar Pradesh VAT Act, 2008	Sales tax	1,220,612	11,071,344	2011-12	Additional Commissioner of Commercial Tax (Appeals)
15	Jharkhand VAT Act, 2006	Sales tax	1,094,677	-	2012-13	Joint commissioner of Commercial Tax (Appeals)
16	Uttar Pradesh VAT Act, 2008	Sales tax	461,682	230,841	2012-13	Additional/Joint Commissioner of Commercial Tax
17	Uttar Pradesh VAT Act, 2008	Sales tax	5,526,820	2,763,410	2013-14	Additional/Joint Commissioner of Commercial Tax
18	Uttar Pradesh VAT Act, 2008	Sales tax	2,076,802	1,812,916	2009-10	Additional/Joint Commissioner of Commercial Tax
19	Uttar Pradesh VAT Act, 2008	Sales tax	67,509	-	2008-09	Additional Commissioner (Appeals)
20	West Bengal VAT Act, 2003	Sales tax	478,879	-	2009-10	Commissioner of Sales tax
21	Karnataka VAT Act, 2003	Sales tax	1,663,225	-	2010-11	Additional/Joint Commissioner of Commercial Tax
22	Uttarakhand VAT Act, 2005	Sales tax	500,000	-	2011-12	Deputy Commissioner of Commercial Tax

Amount as per demand order including interest and penalty, wherever indicated in the order.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks during the year. The Company did not have any outstanding dues to debenture holders and loans or borrowing from the government during the year.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Being a private company, provisions of section 197 of the Act are not applicable to the Company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by applicable accounting standards. Further, provisions of section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: 19 September 2017



Annexure B to the Independent Auditor's Report of even date on the financial statements of Advanced Sys-tek Private Limited for the year ended 31 March 2017

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

We have audited the internal financial controls over financial reporting of **Advanced Sys-tek Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgement, 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.

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: 19 September 2017

Advanced Sys-Tek Private Limited
Balance sheet as at 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	19,649,220	19,649,220
Reserve and surplus	4	121,420,295	308,038,705
		141,069,515	327,687,925
Non-current liabilities			
Long-term borrowings	5	987,661	2,270,749
Long-term provisions	6	22,010,835	21,643,401
		22,998,496	23,914,150
Current liabilities			
Short-term borrowings	7	318,445,809	316,308,329
Trade payables	8		
-total outstanding dues of micro enterprises and small enterprises		54,087,638	13,213,879
-total outstanding dues of creditors other than micro enterprises and small enterprises		350,431,268	347,745,926
Other current liabilities	9	191,214,082	277,947,756
Short-term provisions	6	61,932,682	104,078,264
		976,111,479	1,059,294,154
		1,140,179,490	1,410,896,229
ASSETS			
Non-current assets			
Fixed assets			
- Property, plant and equipment	10	57,075,026	64,463,202
- Intangible assets	11	2,218,853	1,628,131
Long-term loans and advances	12	120,294,056	94,912,005
Deferred tax assets (net)	13	-	55,774,708
Other non-current assets	14	70,000	650,000
		179,657,935	217,428,046
Current assets			
Inventories	15	98,437,644	123,293,195
Trade receivables	16	189,387,775	339,268,438
Cash and bank balances	17	-	22,754,988
Short-term loans and advances	18	84,039,473	37,887,091
Other current assets	19	588,656,663	670,264,471
		960,521,555	1,193,468,183
		1,140,179,490	1,410,896,229

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Jiten Chopra
Partner
Membership number: 092894

Place: Gurugram
Date: 19 September 2017

For and on behalf of Board of Directors of
Advanced Sys-Tek Private Limited



Umed A Fafdra
Director
DIN : 00049036

Place: Vadodara.
Date: 19 September 2017



Gurumurthy Santhankrishnan
Director
DIN:07771398

Place: Vadodara
Date: 19-Sep-2017



Advanced Sys-Tek Private Limited

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	20		
Sale of products (gross)		1,070,096,972	1,582,029,686
Less: Excise duty		(27,835,292)	(20,122,658)
Sale of products (net)		1,042,261,680	1,561,907,028
Sale of services		194,646,511	237,590,025
Total		1,236,908,191	1,799,497,053
Other income	21	36,436,897	49,468,067
Total revenue		1,273,345,088	1,848,965,120
Expenses			
Cost of materials consumed	22	65,948,156	98,239,985
Purchases of stock-in-trade	23	774,906,128	1,035,269,475
Cost of services rendered		172,486,503	227,926,191
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	11,266,832	54,482,836
Employee benefits	25	97,322,418	99,276,407
Finance costs	26	40,393,043	30,535,605
Depreciation and amortisation	27	6,597,763	6,969,798
Other expenses	28	235,083,188	218,907,855
Total expenses		1,404,004,031	1,771,608,152
Profit before tax		(130,658,943)	77,356,969
Income tax expenses:			
Current tax		-	11,706,240
Add: MAT credit utilisation/reversal		184,757	12,873,404
Less: MAT credit entitlement		-	(158,180)
Deferred tax charge / (credit)	13	55,774,708	1,953,866
		55,959,465	26,375,330
Profit after tax		(186,618,408)	50,981,639
Earnings per equity share [Nominal value of Rs. 10 (Previous year: Rs. 10)]			
Basic and diluted	36	(94.97)	25.95

Significant accounting policies

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The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Jiten Chopra

Partner

Membership number: 092894

Place: Gurugram

Date: 19 September 2017

For and on behalf of Board of Directors of

Advanced Sys-Tek Private Limited



Umed A Fifadra

Director

DIN : 00049036

Place: Vadodara
Date: 19 September 2017



**Gurumurthy
Santhankrishnan**

Director

DIN:07771398

Place: Vadodara

Date: 19-Sep-2017



Advanced Sys-Tek Private Limited
Cash flow statement for the year ended 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flow from operating activities		
Profit before tax	(130,658,943)	77,356,968
Adjustments for:		
Depreciation and amortisation	6,597,763	6,969,798
Provision for slow moving inventory	1,541,085	-
Loss on sale/write off of property, plant and equipment	1,562,091	31,665
Interest income	(21,298)	(2,410)
Provision for doubtful advances no longer required written back	-	(676,702)
Provision for doubtful debt no longer required written back	-	(42,874,162)
Liabilities no longer required written back	(570,736)	(19,006)
Unrealised foreign exchange loss/(gain)	664,354	(737,274)
Bad debts written off	5,971,657	-
Provision for doubtful trade receivables	51,212,715	29,356,483
Provision for doubtful loans and advances	3,118,828	736,895
Interest expense	40,393,043	29,651,497
Operating cash flows before working capital changes	(20,189,441)	99,793,751
Changes in working capital		
(Increase)/decrease in trade receivables	92,325,721	(24,010,699)
(Increase)/decrease in inventories	23,314,466	51,478,801
(Increase)/decrease in loans and advances	(57,416,723)	(56,307,040)
(Increase)/decrease in other current assets	81,289,993	(85,788,054)
Increase/(decrease) in trade payables	44,134,477	8,972,700
Increase/(decrease) in provisions	(41,778,149)	8,707,101
Increase/(decrease) in other current liabilities	(91,609,200)	(135,468,065)
	50,260,585	(232,415,256)
Cash generated from/(used in) operating activities before taxes	30,071,144	(132,621,505)
Direct taxes paid (net of refunds)	(17,502,778)	(5,468,547)
Net cash (used)/generated by operating activities	12,568,366	(138,090,052)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,280,916)	(3,781,522)
Proceeds from sale of property, plant and equipment	-	889,692
Maturity of bank deposits	580,000	20,000
Interest received	40,689	29,117
Net cash used by investing activities	(660,227)	(2,842,713)
C. Cash flow from financing activities		
Cash proceeds from short term borrowing (net of repayment)	2,137,480	191,898,047
Repayment of finance lease obligation	(1,520,171)	(298,299)
Interest paid	(35,280,436)	(29,651,497)
Net cash provided/(used by) financing activities	(34,663,127)	161,948,251
Net decrease in cash and cash equivalents (A+B+C)	(22,754,988)	21,015,486
Cash and bank balances at the beginning of the year	22,754,988	100,742
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	1,638,760
Cash and cash equivalents at the end of the year (refer note 17)	-	22,754,988
Notes to cash flow statement		
Component of cash and cash equivalent		
Balance with banks:		
- In current accounts	-	22,734,988
- in deposits with original maturity of less than 3 months	-	20,000
	-	22,754,988

The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on 'Cash Flow Statements' as specified under section 133 of Companies Act, 2013 to the extent applicable

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Jiten Chopra
Partner
Membership number: 092894

Place: Gurugram
Date: 19 September 2017

For and on behalf of Board of Directors of
Advanced Sys-Tek Private Limited

Umed A Fifadra

Director
DIN : 00049036

Place: Vadodara
Date: 19 September 2017

**Gurumurthy
Santhankrishnan**
Director
DIN : 07771398

Place: Vadodara
Date: 19 September 2017

for

Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

1. Background

Advanced Systek Private Limited (the 'Company') is a subsidiary of GE Mauritius Infrastructure Holding Ltd., a subsidiary of General Electric Company, USA. The Company offers complete automation and metering solution to customers using project management expertise and specialised knowledge of the Oil & Gas measurement industry. This enables customers to measure, automate and control the transportation and distribution of their products through pipelines, tank trucks, barges and rail wagons.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(i) Basis of preparation of financial statements

The financial statements have been prepared and presented on a going concern basis under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act").

(ii) Current/ non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.



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(iii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the actual results are known or materialised. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

(iv) Property, plant and equipment, intangible assets, depreciation and amortisation

Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Pursuant to the enactment of Companies Act, 2013, depreciation is provided on straight line method based on the useful lives as prescribed under Schedule II of the Act.

Depreciation on following asset categories is provided on straight-line method at rates different than those prescribed under Schedule II of the Companies Act, 2013:-

Plant and machinery	5 Years
Furniture and Fixtures	5 Years

Cost of leasehold land and vehicles is amortized over the period of lease.

Intangible assets and amortisation

Intangible assets that are acquired by the Company are initially measured at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised over the period the Company expects to derive economic benefits from their use. The Management believes that the period of amortization is representative of the period over which the Company expects to derive economic benefits from the use of the asset.

(v) Impairment

The carrying values of assets are reviewed at each reporting date to determine if there is any indication of any impairment. If any indication exists, the assets recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognised.



Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

Depreciation is charged on the value of the asset (net of impairment loss) over the remaining useful life on a systematic basis if the assets are not held for sale. Impairment loss recognised in earlier periods is reversed on disposal/deletion of these assets.

(vi) Operating and finance leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of assets taken on operating lease are charged to Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Assets taken on finance lease are initially capitalized at fair value of the assets or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(vii) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stock-in-trade, stores and spares are carried at the lower of cost and net realizable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

Provision for inventory obsolescence is assessed annually and is provided for as considered necessary.

(viii) Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, allowances and the expected cost of other benefits are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.



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Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pay specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Employee Provident Fund and Employee State Insurance to Government administered Provident Fund and Employee State Insurance schemes which are defined contribution plan. The Company's contribution is recognized as an expenses in the Statement of Profit and Loss during the period in which employee renders the related service.

Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the statement of profit and loss. Gains or losses on curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Provision is determined on the basis of actuarial valuation carried out as at the year end and is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Annual contributions are made to the employee's gratuity fund based on an actuarial valuation carried out as at 31 March each year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Other long term benefits

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly with in twelve months after the end of the period in which the employees rendered the related service and are also not expected to be utilized wholly within twelve months after the end of such periods, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of independent actuary's valuation using the projected unit credit method.

(ix) Revenue Recognition

Revenue from sales of good in the course of ordinary activities is recognized when property in the goods or all significant risk and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of consideration that will be diverted from the sale of the goods and regarding its collection.

Service revenue is recognized as per the terms of the contract with the customer. The service value is exclusive of service tax.

Revenues and cost from fixed price work contracts for supply and installation of the automation solutions are recognized on transfer of all significant risk and rewards of the ownership of the goods to the end customer on the basis of customer acknowledgement. No revenue is recognised



10

Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

where customer acknowledgement has not been received for goods dispatched/services rendered. In such cases the cost is recorded as 'contract inventory with the customers'.

Income from annual maintenance contracts is recognized on a straight-line basis over the term of the contract.

The amount recognized as revenue is exclusive of sales tax, value added tax (VAT) and service tax, and it is net of returns, trade discounts and quantity discounts.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(x) Foreign exchange transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign exchange transactions are recorded using the average exchange rates prevailing in the month of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.

All monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss.

(xi) Provisions

A provision is recognized if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditures required to settle the present obligations at the balance sheet date. The provisions are measured on an undiscounted basis.

Warranties

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repair, replacement, material cost, servicing and past experience in respect of warranty cost. It is expected that this expenditure will be incurred over the contractual warranty period.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

Liquidated damages

Liquidated damages are provided based on contractual terms when the delivery/ commissioning dates of an individual project have exceeded or are likely to exceeds the delivery/ commissioning dates as per the respective contracts. This expenditure is expected to be incurred over the respective contractual terms upto closure of the contract.

(xii) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, required and outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibilities of outflow of resources are remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which change occurs.



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(xiii) Taxation

Income-tax expense comprises current tax (i.e. amount of tax the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) Income-tax expense is recognized in profit and loss except that tax expense related to terms recognized directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charges or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(xiv) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and others bank balances with bank.

(xv) Earnings per share

The Basic and dilutive earnings/(loss) per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any.



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Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

3 Share capital

	As at 31 March 2017	As at 31 March 2016
Authorised		
Equity shares		
4,800,000 (previous year: 4,800,000) equity shares of Rs.10 each	48,000,000	48,000,000
Issued, subscribed and paid up		
Equity shares		
1,964,922 (previous year : 1,964,922) equity shares of Rs.10 each fully paid up	19,649,220	19,649,220
	<u>19,649,220</u>	<u>19,649,220</u>

a. The reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement and at the end of the year	1,964,922	19,649,220	1,964,922	19,649,220

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of equity shareholders on a poll are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which call or other sums presently payable have not been paid. Failure to pay amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, if any, in proportion to the number of equity shares held.

c. Equity shares held by ultimate holding company/ holding company and/ or their subsidiaries/ associates

Equity Shares of Rs 10 Each fully paid-up held by	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
GE Mauritius Infrastructure Holding Limited (holding company)	1,316,496	13,164,960	1,316,496	13,164,960
	<u>1,316,496</u>	<u>13,164,960</u>	<u>1,316,496</u>	<u>13,164,960</u>

d. Details of shareholders holding more than 5% shares in the Company

Equity Shares of Rs 10 Each fully paid-up held by	As at 31 March 2017		As at 31 March 2016	
	Number	% of total shares	Number	% of total shares
GE Mauritius Infrastructure Holding Limited (holding company)	1,316,496	67.0%	1,316,496	67.0%
Mr. Umed A Fifadra	324,212	16.5%	324,212	16.5%
Mr. Mukesh Rajnikant Kapadia	324,212	16.5%	324,212	16.5%

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has not issued any bonus shares, neither issued shares for consideration other than cash nor has bought back any equity shares during the period of five years immediately preceding the reporting date.

4 Reserves and surplus

	As at 31 March 2017	As at 31 March 2016
General reserve		
At the commencement and at the end of the year	105,602,284	105,602,284
Surplus (Profit and loss balance)		
At the commencement of the year	202,436,421	151,454,782
Add: (Loss)/profit for the year	(186,618,408)	50,981,639
At the end of the year	<u>15,818,013</u>	<u>202,436,421</u>
Total reserves and surplus	<u>121,420,297</u>	<u>308,038,705</u>



101

Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

5 Long term borrowings

	Non Current		Current*	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Finance lease obligations (refer note 33)	987,661	2,270,749	1,072,989	1,310,072
	987,661	2,270,749	1,072,989	1,310,072

The Company has taken certain vehicles on finance lease. The legal title of these cars vests with lessors. The lease term for such vehicles ranges from 3 to 4 years with equated monthly payments beginning from the month subsequent to the commencement of the lease. The rate of interest implicit in the above is 13.25% p.a (previous year 13.5% p.a). Finance lease obligation is secured against the respective vehicle taken on lease.

* Current maturity of finance lease obligation are disclosed under the head 'other current liabilities', refer note 9.

6 Provisions

	Non Current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits:				
Compensated absences	5,447,543	2,999,885	1,089,557	995,513
Gratuity (refer note 34)	10,544,831	8,459,101	-	-
	15,992,374	11,458,986	1,089,557	995,513
Other provisions:				
Provision for warranties (refer note 35)	6,018,461	10,184,415	26,701,923	24,985,553
Provision for pending sales tax form and other disputes (refer note 35)	-	-	702,231	-
Provision for foreseeable losses (refer note 35)	-	-	3,660,709	27,143,682
Provision for liquidated damages (refer note 35)	-	-	29,778,262	50,953,516
	6,018,461	10,184,415	60,843,125	103,082,751
	22,010,835	21,643,401	61,932,682	104,078,264

7 Short-term borrowings

	As at 31 March 2017	As at 31 March 2016
Loans repayable on demand		
Overdraft facilities from bank (unsecured) **	318,445,809	316,308,329
	318,445,809	316,308,329

**Overdraft facilities from bank carry interest rate ranging between 10.80% - 10.90% p.a (previous year 10.90% - 11.25% p.a.), computed on a daily basis on the actual amount utilized, and are repayable on demand.

8 Trade payables

	As at 31 March 2017	As at 31 March 2016
Total outstanding dues of micro enterprises and small enterprises (refer note 31)	54,087,638	13,213,879
Total outstanding dues of creditors other than micro enterprises and small enterprises	350,431,268	347,745,927
	404,518,906	360,959,806

9 Other current liabilities

	As at 31 March 2017	As at 31 March 2016
Current maturities of finance lease obligations (refer note 33)	1,072,989	1,310,072
Advance received from customers	158,933,005	253,326,634
Interest on dues to micro and small enterprises (refer note 31)	13,426,095	8,313,488
Employee benefits payable	4,213,281	3,807,386
Statutory dues payable:		
- Provident fund and other funds	707,757	751,549
- Tax deducted at source	1,626,825	2,525,116
- Excise duty	2,226,115	5,786,199
- Service tax	1,498,296	2,127,312
- Value added tax	7,509,719	-
	191,214,082	277,947,756



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Advanced Sys-Tek Private Limited
Notes to the financial statements for the year ended 31 March 2017
 (All amounts are in Indian Rupees, unless otherwise stated)

10 Property, plant and equipment

Description	Gross Block			Depreciation			Net Block	
	As at 1 April 2016	Additions	Deletions	As at 1 April 2016	For the year	Deletions	As at 31 March 2017	As at 31 March 2016
Own assets								
Buildings	37,696,867	-	-	5,643,857	606,026	-	6,249,882	31,446,985
Plant and equipment	1,541,160	-	227,718	821,842	172,499	217,193	777,148	536,294
Furniture and fixtures	11,239,803	-	9,573,780	10,830,877	23,976	9,324,672	1,530,181	135,842
Electrical Installations	9,938,349	-	9,091,667	9,697,580	44,526	9,091,667	650,439	196,243
Office equipments	9,994,705	139,410	1,452,951	4,982,372	1,489,694	661,313	5,810,752	2,870,412
Computers	14,847,138	184,620	15,031,758	7,832,837	2,292,470	-	10,125,306	4,906,452
	85,258,022	324,030	20,346,116	39,809,363	4,629,191	19,294,845	25,143,707	40,092,229
Leased assets								
Land	18,405,963	-	-	3,172,313	276,435	-	3,448,748	14,957,215
Vehicles	6,592,179	-	1,273,202	2,811,286	1,244,491	762,381	3,293,395	2,025,582
	24,998,142	-	1,273,202	5,983,598	1,520,926	762,381	6,742,143	16,982,797
	110,256,164	324,030	21,619,318	45,792,961	6,150,116	20,057,227	31,885,850	57,075,026
Description	Gross Block			Depreciation			Net Block	
	As at 1 April 2015	Additions	Deletions	As at 1 April 2015	For the year	Deletions	As at 31 March 2016	As at 31 March 2015
Own assets								
Buildings	37,696,867	-	-	5,037,831	606,026	-	5,643,857	32,053,010
Plant and equipment	925,557	615,603	-	672,726	149,116	-	821,842	719,318
Furniture and fixtures	11,211,131	28,672	-	10,802,123	28,754	-	10,830,877	408,926
Electrical Installations	9,938,349	-	-	9,621,956	75,623	-	9,697,580	240,769
Office equipments	9,077,439	917,266	-	3,690,231	1,292,142	-	4,982,372	5,387,208
Computers	14,847,138	-	-	5,344,389	2,488,448	-	7,832,837	7,014,301
	83,696,481	1,561,541	-	35,169,257	4,640,109	-	39,809,363	45,448,659
Leased assets								
Land	18,405,963	-	-	2,895,878	276,435	-	3,172,313	15,233,650
Vehicles	5,537,746	2,160,062	1,105,629	1,284,532	1,711,026	184,272	2,811,286	3,780,893
	23,943,709	2,160,062	1,105,629	4,180,409	1,987,461	184,272	5,983,599	19,014,543
	107,640,190	3,721,603	1,105,629	39,349,666	6,627,570	184,272	45,792,962	64,463,202



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Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

12 Long-term loans and advances

	As at 31 March 2017	As at 31 March 2016
(Unsecured, considered good unless otherwise stated)		
To parties other than related parties		
Capital advances	-	81,484
Security deposits	1,281,157	1,401,100
	<u>1,281,157</u>	<u>1,482,584</u>
Other loans and advances		
Balances with government authorities		
- considered good	43,643,428	35,377,971
- considered doubtful	-	243,082
Less: Provision for doubtful deposits	-	(243,082)
	<u>43,643,428</u>	<u>35,377,971</u>
Advance income tax pending (net of provision for income tax)	74,080,409	56,577,631
MAT credit entitlement	1,289,062	1,473,819
	<u><u>120,294,056</u></u>	<u><u>94,912,005</u></u>

13 Deferred tax asset (net)

	As at 31 March 2017	As at 31 March 2016
Deferred tax liability:		
Excess of depreciation on fixed assets under income-tax law over depreciation/ amortization provided in accounts	5,825,174	7,158,996
Total deferred tax liability (a)	<u>5,825,174</u>	<u>7,158,996</u>
Deferred tax asset:		
Expenditure under section 37 of Income-tax Act, 1961	7,522,650	2,482,097
Unabsorbed losses #	40,864,866	-
Expenditure under section 40 (a) of Income-tax Act, 1961	-	4,664,112
Provision for foreseeable losses	1,131,159	9,393,886
Provision for doubtful trade receivables	17,052,995	11,799,663
Provision for warranties	10,110,599	12,171,623
Provision for pending sales tax form and other disputes	216,989	-
Provision for employee benefits	5,278,317	4,310,253
Provision for doubtful advances	963,625	478,078
Provision for liquidated damages	9,201,483	17,633,992
Provision for slow moving items	849,218	-
Total deferred tax asset (b)	<u>93,191,902</u>	<u>62,933,704</u>
Recognition of deferred tax asset to the extent of deferred tax liability* (c)	<u>5,825,174</u>	<u>62,933,704</u>
Deferred tax asset (net) (a-c)	<u>-</u>	<u>55,774,708</u>

* The Company has business losses under tax laws as at year-end. While the Company has certain orders in hand, in the absence of virtual certainty of future taxable profits, deferred tax asset has been recognized only to the extent of deferred tax liability.

Based on Management's assessment of losses that will be allowed to be carried forward under the Income tax Act, 1961.

14 Other non-current assets

	As at 31 March 2017	As at 31 March 2016
(Unsecured and considered good, unless otherwise stated)		
Bank deposits (due to mature after 12 months from the reporting date)*	70,000	650,000
	<u>70,000</u>	<u>650,000</u>

* Includes bank deposits held as margin money given to sales tax authorities.

15 Inventories

	As at 31 March 2017	As at 31 March 2016
(Valued at the lower of cost and net realizable value)		
Raw materials	17,048,093	29,095,727
Work-in-progress	11,210,604	11,744,693
Finished goods	17,066,883	15,274,513
Stock-in-trade [includes goods-in-transit Rs.25,286,342 (previous year: Rs. 6,575,957)]	55,860,342	68,385,455
	<u>101,185,922</u>	<u>124,500,388</u>
Less: Provision for slow moving inventory	2,748,278	1,207,193
	<u>98,437,644</u>	<u>123,293,195</u>



Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

16 Trade receivables

	As at 31 March 2017	As at 31 March 2016
(Unsecured and considered good, unless otherwise stated)		
Receivables outstanding for a period exceeding six months from the date they are due for payment		
(a) considered good	56,420,381	62,183,612
(b) considered doubtful	50,229,958	19,576,316
Less : Provision for doubtful trade receivables	(50,229,958)	(19,576,316)
	<u>56,420,381</u>	<u>62,183,612</u>
Other receivables		
(a) considered good	132,967,394	277,084,826
(b) considered doubtful	4,957,729	14,518,874
Less : Provision for doubtful trade receivables	(4,957,729)	(14,518,874)
	<u>132,967,394</u>	<u>277,084,826</u>
	<u><u>189,387,775</u></u>	<u><u>339,268,438</u></u>

17 Cash and bank balances

	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents:		
Balances with banks		
- On current accounts	-	22,734,988
Other bank balances:		
Fixed deposits (due to mature within 12 months of the reporting date)	-	20,000
	<u>-</u>	<u>22,754,988</u>
Details of bank balance /deposits:-		
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	-	20,000
Bank deposits due to mature after 12 months of the reporting date included under 'Other bank balances'	70,000	650,000
	<u>70,000</u>	<u>670,000</u>

18 Short-term loans and advances

	As at 31 March 2017	As at 31 March 2016
(Unsecured and considered good, unless otherwise stated)		
To parties other than related parties		
Advances to be received in cash or kind	11,884,708	10,152,412
Advance to employees	2,982,849	-
Advances for supply of goods and services		
- considered good	19,231,035	10,518,321
- considered doubtful	676,402	1,138,327
Less : Provision for doubtful advances	(676,402)	(1,138,327)
	<u>19,231,035</u>	<u>10,518,321</u>
Other loans and advances		
Prepaid expenses	2,613,880	3,040,652
Security deposits	3,383,358	972,086
Balances with government authorities		
- considered good	43,943,643	13,203,620
- considered doubtful	2,442,126	-
Less : Provision for doubtful advances	(2,442,126)	-
	<u>49,940,881</u>	<u>17,216,358</u>
	<u><u>84,039,473</u></u>	<u><u>37,887,091</u></u>

19 Other current assets

	As at 31 March 2017	As at 31 March 2016
(Unsecured and considered good, unless otherwise stated)		
To parties other than related parties		
Interest accrued but not due on fixed deposits	-	19,391
Contract inventory with customers	303,953,785	414,514,705
Unbilled revenue	284,702,878	255,730,375
	<u>588,656,663</u>	<u>670,264,471</u>



121

Advanced Sys-Tek Private Limited**Notes to the financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees, unless otherwise stated)

20 Revenue from operations

	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products:		
- Finished goods	296,551,576	243,182,202
- Traded goods	773,545,396	1,338,847,484
Sale of products (gross)	1,070,096,972	1,582,029,686
Less: Excise duty	(27,835,292)	(20,122,658)
Sale of products (net)	1,042,261,680	1,561,907,028
Sale of services:		
- Annual maintenance contracts*	100,822,783	81,183,500
- Project services	65,744,514	145,626,408
- Other services	28,079,214	10,780,117
	194,646,511	237,590,025
	1,236,908,191	1,799,497,053

* Includes prior period income amounting to Rs.12,853,744 (previous year Rs.Nil)

Break-up of revenue from sale of products**Finished goods (net of excise duty):**

Batch controllers	86,900,729	92,298,927
Grounding unit	17,183,116	19,458,203
Skid	143,945,931	35,649,836
Others	20,686,508	75,652,577
	268,716,284	223,059,544

Traded goods:

Radar gauge	66,473,789	188,013,611
PLC panel	76,109,087	73,843,500
Cables	90,450,231	156,284,798
Others	540,512,289	920,705,574
	773,545,396	1,338,847,484
	1,042,261,680	1,561,907,028

21 Other income

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income on fixed deposits	21,298	2,410
Foreign exchange fluctuation gain (net)	-	4,700,372
Provisions no longer required written back:		
- Provision for doubtful loan and advances	-	676,702
- Provision for foreseeable losses	23,482,973	-
- Provision for doubtful trade receivables	-	42,874,162
- Provision for liquidated damages	12,289,498	-
Liabilities no longer required written back	570,736	19,006
Miscellaneous income	72,392	1,195,415
	36,436,897	49,468,067



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Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

22 Cost of materials consumed

	For the year ended 31 March 2017	For the year ended 31 March 2016
Inventory of raw materials at the beginning of the year	29,095,727	24,884,499
Add: Purchases during the year	53,900,522	102,451,213
Less: Inventory of raw materials at the end of the year	(17,048,093)	(29,095,727)
	65,948,156	98,239,985

Break-up of raw materials consumed

Integrated circuits	15,959,364	16,264,555
Junction box	17,539,534	15,683,737
Electronic devices	6,079,850	17,178,806
Printed circuit boards	9,502,973	9,022,731
Capacitors	1,462,170	1,533,249
Others	15,404,265	38,556,906
	65,948,156	98,239,985

Breakup of inventory - raw materials (net of provision)

Junction box	1,869,975	8,537,006
Integrated circuits	1,444,712	5,500,825
Electronic devices	2,001,709	5,222,703
Printed circuit boards	391,256	1,851,963
Capacitors	108,916	1,260,826
Others	8,483,247	5,515,211
	14,299,815	27,888,534

23 Purchases of stock-in-trade

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cables	59,231,875	154,165,609
Tank farm system	59,417,622	88,009,661
Flow meters	140,958,628	117,639,242
PLC system	57,805,783	73,896,141
Others	457,492,220	601,558,822
	774,906,128	1,035,269,475

24 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended 31 March 2017	For the year ended 31 March 2016
Inventories at the end of the year:		
Stock-in-trade	55,860,342	68,385,455
Work-in-progress	11,210,604	11,744,693
Finished goods	17,066,883	15,274,513
	84,137,829	95,404,661
Inventories at the beginning of the year:		
Stock-in-trade	68,385,455	126,629,859
Work-in-progress	11,744,693	11,267,373
Finished goods	15,274,513	11,990,265
	95,404,661	149,887,497
Decrease in inventories (refer note 43)	11,266,832	54,482,836



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Advanced Sys-Tek Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

25 Employee benefits

	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries, wages and bonus	82,588,431	82,551,037
Contribution to provident and other funds (refer note 34)	4,214,785	6,725,147
Provision for gratuity (refer note 34)	2,087,894	2,284,856
Provision for compensated absences	3,459,865	2,282,863
Staff welfare expenses	4,971,443	5,432,504
	97,322,418	99,276,407

26 Finance costs

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest on:		
- short term borrowings	34,868,053	19,292,030
- asset under finance lease (Refer note 33)	358,705	884,108
- others	5,166,285	10,359,467
	40,393,043	30,535,605

27 Depreciation and amortisation

	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation on property, plant and equipment	6,150,116	6,627,570
Amortisation on intangible assets	447,647	342,228
	6,597,763	6,969,798

28 Other expenses

	For the year ended 31 March 2017	For the year ended 31 March 2016
Travel and conveyance	32,607,116	47,723,756
Rent (refer note 33)	6,981,041	2,171,582
Power and fuel	2,836,325	3,053,045
Repairs and maintenance		
- buildings	-	163,050
- others	3,906,590	2,595,798
Legal and professional fees	33,217,781	24,355,028
Payment to auditors (refer note 30)	1,065,442	800,000
Royalty	4,583,580	4,070,530
Rates and taxes	3,261,528	18,558,054
Communication	10,829,842	11,420,234
Office Maintenance	4,800,092	1,960,672
Insurance	157,953	616,125
Bank charges	4,486,944	4,267,825
Provision for Liquidated damages, net (refer note 35)	-	954,270
Liquidated damages written off	-	893,937
Works contract sales tax expense	45,397,015	35,727,559
Warranty (refer note 35)	10,934,563	23,549,135
Bad debts written off	5,971,657	-
Provision for pending sales tax form and other disputes (refer note 35)	702,231	-
Provision for slow moving inventory	1,541,085	-
Training & seminars	1,657,469	-
Provision for doubtful trade receivables	51,212,715	29,356,483
Provision for doubtful loans and advances	3,118,828	736,895
Provision for foreseeable losses (refer note 35)	-	2,736,227
Loss on sale/write off of property, plant and equipment	1,562,091	31,665
Miscellaneous expenses	2,703,200	3,165,985
Foreign exchange fluctuation loss (net)	1,548,100	-
	235,083,188	218,907,855



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29 Contingent liabilities

Claims against the Company not acknowledged as debts

Name of the statute	Nature of dues	Amount involved*	Forum where dispute is pending	Period to which the amount relates Financial year
The Income-tax Act, 1961	Income-tax	101,312,409	Commissioner of Income Tax (Appeals)	2012-13
The Income-tax Act, 1961	Income-tax	86,830,836	Commissioner of Income Tax (Appeals)	2013-14
The Custom Act, 1962	Customs duty	14,716,873	Customs, Excise and Service Tax Appellate Tribunal	2001-02
The Custom Act, 1962	Customs duty	23,262	Customs, Excise and Service Tax Appellate Tribunal	2006-07
The Finance Act, 1994	Service tax	7,788,327	Commissioner of Service tax	2009-13
Gujarat VAT Act, 2003	Sales tax	19,393,571	Deputy Commissioner of Commercial Tax	2009-10
Gujarat VAT Act, 2003	Sales tax	14,475	Deputy Commissioner of Commercial Tax	2009-10
Jharkhand VAT Act, 2006	Sales tax	1,151,934	Assessing officer	2012-13
Gujarat VAT Act, 2003	Sales tax	677,915	Joint Commissioner of Commercial Tax (Appeals)	2006-07
Gujarat VAT Act, 2003	Sales tax	489,113	Joint Commissioner of Commercial Tax (Appeals)	2011-12
Maharashtra VAT Act, 2002	Sales tax	1,121,110	Sales tax Appellate Tribunal	2003-04
Kerala VAT Act, 2003	Sales tax	1,236,357	Kerala VAT Tribunal	2007-08
Uttar Pradesh VAT Act, 2008	Sales tax	1,609,334	Commissioner of Commercial Tax	2010-11
Uttar Pradesh VAT Act, 2008	Sales tax	1,220,612	Additional Commissioner of Commercial Tax (Appeals)	2011-12
Jharkhand VAT Act, 2006	Sales tax	1,094,677	Joint Commissioner of Commercial Tax (Appeals)	2012-13
Uttar Pradesh VAT Act, 2008	Sales tax	461,682	Additional/Joint Commissioner of Commercial Tax	2012-13
Uttar Pradesh VAT Act, 2008	Sales tax	5,526,820	Additional/Joint Commissioner of Commercial Tax	2013-14
Uttar Pradesh VAT Act, 2008	Sales tax	2,076,802	Additional/Joint Commissioner of Commercial Tax	2009-10
Uttar Pradesh VAT Act, 2008	Sales tax	67,509	Additional Commissioner (Appeals)	2008-09
West Bengal VAT Act, 2003	Sales tax	478,879	Commissioner of Sales tax	2009-10
Karnataka VAT Act, 2003	Sales tax	1,663,225	Additional/Joint Commissioner of Commercial Tax	2010-11
Uttarakhand VAT Act, 2005	Sales tax	500,000	Deputy Commissioner of Commercial Tax	2011-12

* Amount as per draft/final demand orders including interest and penalty, wherever indicated in the order.
The Company is of the firm belief that the above demands are not tenable and are highly unlikely to be retained. Accordingly, no provision has been created in respect of these demands.

30 Payments to auditors (excluding service tax)

	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditor:		
- For statutory audit	900,000	640,000
- For tax audit	100,000	100,000
- Out of pocket expenses	65,442	60,000
	1,065,442	800,000

31 Dues to micro and small suppliers

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 and 31 March 2016 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
The amounts remaining unpaid to micro and small supplier as at the end of the year:		
- Principal	54,087,638	13,213,879
- Interest	1,016,914	8,313,488
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year		
- Principal	105,436,584	214,846,693
- Interest	4,095,693	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	13,426,095	8,313,488
The amount of further interest remaining due and payable over in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	5,112,607	8,313,488

32 Related parties

a) Related parties where control exists

Ultimate holding company	General Electric Company
Holding company	GE Mauriitua Infrastructure Holding Ltd

b) Other related parties with whom transactions have taken place during the year

Fellow subsidiaries	GE India Industrial Private Limited
	GE Intelligent Platforms Private Limited
	GE Capital Service India
	Dresser Valve India Private Limited
	GE India Business Services Private Limited
	GE Sensing & Inspection Technologies GMBH
	Nuovo Pignone S.P.A.
	GE India Exports Private Limited
	GE International Operations (NIG) Limited
	GE Sensing EMEA
	GE Oil & Gas Inc
	Bentley Nevada, LLC
	Dresser Alruheid Valve & Instrument Co. Ltd
	Dresser International, Inc
	Druck Limited
	General Electric South Africa (PTY) Ltd
	General Electric International, Inc
	Bentley do Brasil Ltda
	GE Global Sourcing India Private Limited
	General Electric Saudi Arabia Limited
	GE Water & Process Technologies Private Limited
	GE Oil and Gas Kenya



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c) Transactions with related parties:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Transactions with ultimate holding company		
Purchase of stock in trade	-	6,060
Communication	1,316,472	-
Reimbursement of expenses	-	1,224,335
Bank charges	1,013,986	-
Royalty	4,583,580	4,070,530
Training & seminars	-	142,712
Legal and professional fees	5,759,712	-
Transactions with fellow subsidiaries		
Purchase of stock in trade		
GE Intelligent Platforms Private Limited	53,769,738	81,602,748
GE India Industrial Private Limited	41,004	9,746,093
Dresser Valve India Private Limited	2,858,529	-
Nuovo Pignone S.P.A	-	47,897
GE Oil & Gas INC.	-	198,636
Bently Nevada, LLC	-	1,709,701
Dresser International, INC	-	79,798
Druck Limited	-	69,942
GE India Business Services Private Limited	-	1,416,875
Cost of service rendered		
GE Intelligent Platforms Private Limited	3,761,075	-
Communication		
GE India Industrial Private Limited	3,899,723	3,441,272
GE Oil & Gas Inc.	607,987	230,720
General Electric International Inc.	13,132	-
Travel and conveyance (Reimbursement of expenses incurred on behalf of the Company)		
GE India Industrial Private Limited	29,126,291	29,796,981
GE India Business Services Private Limited	-	41,379
Reimbursement of expenses incurred by the Company		
General Electric South Africa (Pty) Ltd	-	724,495
Rent		
GE Capital Services India Private Limited	-	1,231,896
Loans availed		
GE Capital Services India Private Limited	-	1,827,250
GE India Exports Private Limited	-	-
Loans repaid		
GE Capital Services India Private Limited	-	1,394,821
Interest on asset under finance lease		
GE Capital Services India Private Limited	-	884,108
Insurance		
GE India Industrial Private Limited	-	39,226
Bank charges (Reimbursement of expenses incurred on behalf of the Company)		
General Electric Company	1,013,986	-
Ge Oil & Gas Inc.	2,012	-
General Electric International Inc.	3,742	-
Ge International Operations (Nig) Limited	1,674	-
Bently Do Brasil Ltda.	997	-
Training & Seminars		
GE India Industrial Private Limited	1,249,032	142,961
Nuovo Pignone S.P.A	379,437	-
General Electric International, Inc	-	1,629,035
Staff welfare		
GE India Industrial Private Limited	3,860	-
Office maintenance		
GE India Industrial Private Limited	57,838	-
General Electric International, Inc	37,426	-
General Electric Saudi Arabia Limited	2,012	-
Legal and professional fees		
GE India Industrial Private Limited	14,170,190	8,213,052
GE India Business Services Private Limited	6,433,860	5,239,469
General Electric International, Inc	110,980	-
Sale of products		
GE India Industrial Private Limited	625,500	11,553,936
GE Sensing EMEA	64,282	525,579
Bently do Brasil Ltda	-	392,367
GE Oil & Gas Inc.	70,892,385	-
GE East Africa Services Limited	265,982	-
General Electric International, Inc	68,720,217	-
GE International Operations Nigeria Limited	84,760	-
Sale of services		
GE India Industrial Private Limited	677,926	-
GE International Operations Nigeria Limited	1,922,100	-
GE Sensing EMEA	408,266	-
Rent received		
GE India Industrial Private Limited	-	898,269
GE Global Sourcing India Pvt Ltd	-	64,667



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d) Balances with related parties	As at	As at
	31 March 2017	31 March 2016
Balance with ultimate holding company		
Trade payables	20,811,148	9,768,879
Balances with fellow subsidiaries		
Trade payables		
GE Intelligent Platforms Private Limited	46,085,339	48,742,025
GE India Industrial Private Limited	48,563,176	41,792,261
General Electric International, Inc	49,926	-
GE India Business Services Private Limited	11,177,614	8,732,729
Nuovo Pignone S.P.A	-	456,480
Dresser International, INC	-	79,798
Druck Limited	59,204	69,942
GE Oil & Gas INC.	-	445,713
Bently Nevada, LLC	1,697,734	1,763,511
General Electric Saudi Arabia Limited	2,012	-
Dresser Valve India Private Limited	710,583	-
Loans payable		
GE Capital Services India	-	3,580,821
Unbilled revenue		
GE Oil & Gas Inc.	8,690,918	-
GE International Operation Nigeria Limited	80,724	-
GE Oil and Gas Kenya	199,368	-
Trade receivables		
GE International Operation Nigeria Limited	1,856,446	1,523,261
Dresser Alruhaid Valve & Instrument Co. Ltd	21,594,657	-
GE India Industrial Private Limited	257,277	3,235,182
Bently do Brasil Ltda	-	398,110
GE Global Sourcing India Private Limited	-	74,043
Ge Water & Process Technologies Private Limited	244,916	-
General Electric South Africa (PTY) Ltd	-	763,353

33 Leases

i. Operating leases

The Company has obtained certain premises, vehicle and laptops under cancellable lease agreements. The lease expenses charged to the statement of profit and loss on account of cancellable lease agreements amounted to Rs. 6,981,041 (previous year Rs. 998,350).

Further, the Company obtained certain office premises under non-cancellable lease agreement which have been terminated during the previous year. The lease expenses charged to the statement of profit and loss on account of non-cancellable lease agreements amounted to Rs. Nil (previous year Rs. 1,173,232).

ii. Finance leases

The Company has taken certain vehicles on finance leases. The finance lease obligations are repaid by monthly equated installment beginning from the month subsequent to taking the lease. The legal title to assets acquired under the finance leases vests with the lessor. The total minimum lease payments and maturity profile of finance leases as at year end, element of interest included in such payments, and present value of minimum lease payments are as follows:

Period	Total minimum lease payment outstanding as on 31 March 2017	Interest	Present value of minimum lease payment as on 31 March 2017
Payable within one year	1,333,806 (1,694,158)	260,817 (384,086)	1,072,989 (1,310,072)
Payable within 1-5 years	1,096,385 (2,576,065)	108,724 (305,316)	987,661 (2,270,749)

Figures in parentheses '()' indicate previous year figures

34 Employee Benefits

Disclosure in respect of employee benefits under Revised Accounting Standard (AS) – 15 "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006:

Defined contribution plans:

An amount of Rs. 4,214,785 (previous year Rs. 6,725,147) pertaining to employer's contribution to Provident Fund and Other Funds is recognised as expense in the Statement of Profit and Loss.

Defined benefit plans:

Liability towards gratuity and leave encashment has been determined based on the method prescribed in AS 15 - 'Employee benefits.'

Under the Company's gratuity scheme, every employee who has completed 5 years or more of service, is eligible for gratuity on separation, worked out at 15 days of last drawn salary for each completed year of service. The obligation under the scheme is 100% funded by contribution being made to the Insurance Company.

The following table sets out the status of the gratuity plan as required under AS 15:

(i) Movement in present value of defined benefit obligations

Particulars	As at	As at
	31 March 2017	31 March 2016
Present value of obligation at the beginning of the year	14,085,459	12,546,350
Interest cost	1,236,834	1,049,066
Current service cost	1,453,036	1,482,318
Benefits paid	(1,949,540)	(955,037)
Actuarial (gain) / loss	(176,269)	(37,238)
Present value of obligation at the end of the year	14,649,520	14,085,459



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(ii) Movement in fair value of plan assets

Particulars	As at	
	31 March 2017	31 March 2016
Fair value of plan assets at the beginning of the year	5,626,358	6,370,112
Expected return on plan assets	584,966	689,661
Benefits paid	(1,949,540)	(955,037)
Actuarial gain/(loss)	(159,259)	(480,371)
Contributions by employer	2,164	1,993
Fair value of plan assets at the end of the year	4,104,689	5,626,358

(iii) Amount recognised in the balance sheet

Particulars	As at	
	31 March 2017	31 March 2016
Present value of obligation at the end of the year	14,649,520	14,085,459
Fair value of plan assets at the end of the year	(4,104,689)	(5,626,358)
Net liability recognized in balance sheet	10,544,831	8,459,101

(iv) Expense recognized in the statement of profit and loss

Particulars	For the year ended	
	31 March 2017	31 March 2016
Current service cost	1,453,036	1,482,318
Interest cost	1,236,834	1,049,066
Expected return on plan assets	(584,966)	(689,661)
Net actuarial loss/(gain) recognized in the year	(17,010)	443,133
Total included in 'Employee benefits'	2,087,894	2,284,856

(v) Major category of plan assets (as a percentage of total assets):

Particulars	As at	
	31 March 2017	31 March 2016
Insurer managed funds	100%	100%

(vi) Principal actuarial assumptions at the balance sheet date for gratuity are as follows:

i) Economic assumptions:

Particulars	As at	
	31 March 2017	31 March 2016
Discount rate	7.40%	8.40%
Expected rate of return on plan assets (p.a.)	7.50%	8.00%
Salary escalation rate (p.a.)	10% for first year & 8% thereafter	10.50% for first year & 8% thereafter

ii) Demographic assumptions:

Particulars	As at	
	31 March 2017	31 March 2016
Retirement age	60 years	60 years
Withdrawal rates:		
~ Professional Band and Lead Professional Band	13.30%	13.30%
~ Senior Professional Band & Above	0.00%	0.00%
~ Others	14.70%	14.70%
Mortality table	IALM (2006-08) Ultimate table	IALM (2006-08) Ultimate table

Expected rate of return on plan assets:

The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate:

The estimates of future salary escalation rate considered in actuarial valuation takes into account the inflation, seniority, promotion and other relevant factors on a long-term basis.

(vii) Experience adjustments

Particulars	For the year ended		For the year ended		For the year ended	
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	14,649,520	14,085,459	12,546,350	10,540,897	16,579,612	
Fair value of plan assets	4,104,689	5,626,358	6,370,112	5,689,888	6,940,200	
Surplus/(deficit)	(10,544,831)	(8,459,101)	(6,176,238)	(4,851,009)	(9,639,412)	
Experience adjustment arising on plan liabilities	(1,489,476)	308,640	(862,051)	(489,891)	(549,962)	
Experience adjustment arising on plan assets	(159,259)	(480,371)	(55,730)	(251,279)	(66,985)	

The Company's best estimate of contribution during the next year is Rs 5,000,000 (previous year Rs 5,000,000)

35 Provisions:

Disclosure of movement in provisions in accordance with paragraph 66 and 67 of Accounting standard (AS) - 29 'Provisions, Contingent Liabilities and Contingent Assets' :-

Provision for Liquidated damages

Liquidated damages are provided based on contractual terms when the delivery/ commissioning dates of an individual project have exceeded or are likely to exceeds the delivery/ commissioning dates as per the respective contracts. This expenditure is expected to be incurred within the next 12 months.

Particulars	For the year ended	
	31 March 2017	31 March 2016
Opening balance	50,953,516	49,999,245
Add: Provision made during the year	17,832,559	50,953,516
Less: Provision utilised/reversed during the year	(39,007,813)	(49,999,245)
Closing balance	29,778,262	50,953,516



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Provision for warranties

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repair, replacement, material cost, servicing and past experience in respect of warranty cost. It is expected that this expenditure will be incurred over the contractual warranty period.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening balance	35,169,968	32,386,039
Add: Provision made during the year	10,934,563	21,231,538
Less: Provision utilised/reversed during the year	(13,384,147)	(18,447,609)
Closing balance	32,720,384	35,169,968

Provision for foreseeable losses

Provisions for foreseeable losses on contracts are recognised when it is probable that the contract costs will exceed the total contract revenue. This expenditure is expected to be incurred within the next 12 months.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening balance	27,143,682	24,407,455
Add: Provision made during the year	-	27,143,682
Less: Provision utilised/reversed during the year	(23,482,973)	(24,407,455)
Closing balance	3,660,709	27,143,682

Provision for pending sales tax forms and other disputes

This represents provision for probable sales tax liabilities/ claims due to non-receipt of concessional tax forms for earlier years. The provision is based on estimate derived from historical experience of the Company. This provision is expected to be utilized within the next 12 months.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening balance	-	-
Add: Provision made during the year	702,231	-
Less: Provision utilised/reversed during the year	-	-
Closing balance	702,231	-

36 Basic and diluted earning per share

The computation of earnings per share is set out below:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Net profit attributable to equity shareholders	(186,618,408)	50,981,639
Weighted average number of equity shares outstanding during the year	1,964,922	1,964,922
Nominal value of equity shares	10	10
Basic and diluted earning per share	(94.97)	25.95

37 Segment reporting

Information regarding Primary Segments

According to Accounting Standard (AS) - 17 'Segment Reporting', the primary business segment of the Company is manufacturing and trading of terminal automation systems and engineering, erection & commissioning of such systems. The products fall within a single segment and are subject to similar risks and returns. As the Company operates in a single primary segment, disclosure requirements under the said accounting standard are not applicable.

Information regarding Secondary Segments

The Company operates mainly in two geographical areas, domestic and export. Management has reviewed these geographical areas vis-à-vis the risks and returns that encompass them. While arriving at these, the Management has reviewed the similarity of the economic and political conditions, relationships between operations in these geographical areas, proximity of operations, and special risks, if any, associated with operations in these areas.

For the year ended 31 March 2017

Particulars	Within India	Outside India	Total
Segment revenue	1,064,650,845	172,257,347	1,236,908,191
Segment assets	1,105,856,447	34,323,043	1,140,179,490
Capital expenditure	1,362,399	-	-

For the year ended 31 March 2016

Particulars	Within India	Outside India	Total
Segment revenue	1,666,787,085	132,709,968	1,799,497,053
Segment assets	1,382,842,673	28,053,555	1,410,896,229
Capital expenditure	3,781,522	-	-

Segment accounting policies

The accounting principles used in the preparation of the financial statements and applied to record revenue and expenditure in individual segments are as set out in Note 2 of the financial statements. The description of segment assets and liabilities and the accounting policies in relation to segment accounting are as follows:

Segment revenue

Segment revenue has been allocated to both the segments on the basis of specific identification

Segment assets

Segment assets include all assets used by the segment.

38 Unhedged foreign currency exposures

Particulars	As at 31 March 2017		As at 31 March 2016	
	Amount in original currency	Amount (Rs.)	Amount in original currency	Amount (Rs.)
Trade Receivables (Gross)				
USD	390,100	25,293,538	416,530	28,053,555
Trade Payables				
USD	459,338	29,782,737	86,227	5,807,469
GBP	3,027	244,821	2,295	219,288
EUR	362,492	25,101,708	-	-
SAR	115	2,012	-	-
AED	52,085	951,950	-	-
Unbilled Revenue				
USD	139,261	9,029,505	-	-
Cash and bank balances				
USD	-	-	337,561	22,734,988

USD - US Dollar, GBP - Great Britain Pound, EUR - Euro, SAR - Saudi Riyal, AED - Arab Emirates Dirham



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39 Value of imports on CIF basis

	For the year ended 31 March 2017	For the year ended 31 March 2016
Raw materials	12,913,727	49,483,867
Spare parts and components	2,409,397	3,218,721
	15,323,124	52,702,588

40 Value of imported and indigenous raw materials consumed

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Amount	% of total consumption	Amount	% of total consumption
Imported	21,412,963	27.34%	50,536,263	51.44%
Indigenous	44,535,193	72.66%	47,703,722	48.56%
	65,948,156	100.00%	98,239,985	100.00%

41 (a) Expenditure in foreign currency

	For the year ended 31 March 2017	For the year ended 31 March 2016
Purchase of stock in trade	60,970,257	-
Royalty	4,583,580	4,070,530
Bank charges	1,022,410	1,289,892
Travel and conveyance	1,391,215	190,764
Communication	1,937,590	65,352
Office maintenance	39,438	2,360,408
Legal and professional fees	5,918,974	-
Training & Seminars	379,437	-
	76,242,901	7,976,946

(b) Earnings in foreign currency

	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products (F.O.B value)	163,742,938	121,644,410
Sale of services	8,514,409	11,065,558
Reimbursement of expenses	-	1,720,430
	172,257,347	134,430,398

42 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions as well as specified domestic transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date, as required by law. The Management is of the opinion that its international and specified domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 Change in Inventory of Finished goods, Work-in-progress & Stock in trade

Particulars	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Opening Inventory	Closing Inventory	Increase/ (Decrease) in Inventory	Opening Inventory	Closing Inventory	Increase/ (Decrease) in Inventory
Finished goods						
Smart lock	2,752,420	11,330,993	8,578,573	1,064,863	2,752,420	1,687,558
Smart load	3,709,404	-	(3,709,404)	2,586,488	3,709,404	1,122,916
Smart ground detector	944,685	2,326,012	1,381,327	341,108	944,685	603,578
Others	7,868,004	3,409,878	(4,458,126)	7,997,806	7,868,004	(129,803)
	15,274,513	17,066,883	1,792,370	11,990,265	15,274,513	3,284,249
Stock-in-trade						
Cables	4,502,663	5,763,869	1,261,206	14,487,471	4,502,663	(9,984,808)
PLC system	1,064,828	2,324,705	1,259,877	18,062,463	1,064,828	(16,997,635)
Flow meters	1,210,200	13,671,513	12,461,313	11,659,486	1,210,200	(10,449,286)
Others	61,607,764	34,100,255	(27,507,509)	82,420,438	61,607,764	(20,812,675)
	68,385,455	55,860,342	(12,525,113)	126,629,859	68,385,455	(58,244,404)
Work-in-progress						
Integrated circuits	3,066,346	3,894,075	827,729	1,723,841	3,066,346	1,342,505
Electronic devices	4,206,393	132,557	(4,073,836)	1,836,195	4,206,393	2,370,198
Others	4,471,954	7,183,972	2,712,018	7,707,338	4,471,954	(3,235,383)
	11,744,693	11,210,604	(534,089)	11,267,373	11,744,693	477,320
Total	95,404,662	84,137,829	(11,266,832)	149,887,497	95,404,661	(54,482,836)



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Advanced Sys-Tek Private Limited
Notes to the financial statements for the year ended 31 March 2017
(All amounts are in India Rupees, unless otherwise stated)

- 44 Disclosures in relation to the Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as required by the MCA notification, G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of Corporate Affairs:-

Particulars	Specified Bank Notes	Other denomination Notes	Total
Closing cash in hand as on 8 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-


For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated November 8, 2016.

For BSR & Co. LLP
Chartered Accountants
Firm registration number: 101248/W-100022

Jiten Choudhary
Partner
Membership number: 092894

Place: Gurugram
Date: 19 September 2017

For and on behalf of Board of Directors of
Advanced Sys-Tek Private Limited


Ummed A Fiazra
Director
DIN : 00049036



Gurumurthy
Santhakrishnan
Director
DIN:07771398

Place: Vadodara
Date: 19-Sep-2017

