

**HPL Electric & Power Ltd.**

Corporate Office :
1/21, Asaf Ali Road, New Delhi-110002 Ph.: +91-11-23234411
Fax : +91-11-23232639 E-mail : hpl@hplindia.com
Website : www.hplindia.com
CIN No. : U74899DL1992PLC048945

BOARD'S REPORT**Dear Members**

Your Directors have pleasure in presenting the 24th Annual Report of your Company together with the Audited financial Statements for the financial year ended 31st March, 2016.

1. Financial Highlights

The financial performance of your Company for the year ended 31st March, 2016 is summarized below:

Particulars	Amount (Rs. in Lacs) (on standalone basis)	
	FY 2015-16	FY 2014-15
Net Sales	111526.25	104511.16
Other Income	485.56	472.06
Total Revenue	112011.81	104983.22
Total Expenditure	107129.79	100626.85
Profit before tax	4882.02	4356.36
Provision for tax	1177.78	920.13
Profit after tax	3704.24	3436.24
EPS (Basic & Diluted) (Rs.)	7.98	7.40
Proposed Dividend	46.23	18.57
Transfer to Reserve	150.00	150.00
Paid-up Share Capital	4642.92	1857.18
Reserves and Surplus (excluding revaluation reserve)	30885.14	30022.53

2. Year in Retrospect

During the year under review, total income of the Company was Rs. **112011.81 Lacs** as against Rs. **104983.22 Lacs** in the previous year. The Company was able to earn a profit after tax of Rs. **3704.24 Lacs** in the current financial year as against a profit after tax of Rs. **3436.24 Lacs** in the financial year 2014-15. Your Directors are putting in their best efforts to improve the performance of the Company.

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3. Proposed Initial Public Offer (IPO)

The Company has filed a Draft Red Herring Prospectus (DRHP) with the Securities & Exchange Board of India (SEBI), BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE) for proposed IPO by the Company. The Company has already obtained the in-principle approval of BSE & NSE and also obtained the observation letter from SEBI for the proposed IPO.

4. Dividend

Your Directors are pleased to recommend a dividend of Re. 0.10 per equity share (1%) for the financial year ended March, 31, 2016, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

5. Reserves & Surplus

The net movement in the major reserves of the Company for FY 2015-16 and the previous year (on Standalone Basis) are as follows:

(Rs. in Lacs)		
Particulars	FY 2015-16	FY 2014-15
General Reserve	2571.31	2421.31
Security Premium	4771.41	7557.16
Profit & Loss A/C (Cr.)	23542.42	20044.06
Total	30885.14	30022.53

6. Public deposits

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

7. Material Changes after the close of the financial year

Save as mentioned elsewhere in the report no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company – 31st March, 2016 till the date of this report.



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8. Subsidiaries/ Joint Ventures/ Associates

As on 31st March 2016, the Company is having two Joint Ventures (JVs) namely HPL Electric & Power Pvt. Ltd. – Shriji Designs (JV) and HPL Electric & Power Pvt. Ltd. – Trimurthi Hitech Co. Pvt. Ltd. - Shriji Designs (JV). These JVs are established as Association of Person (AOP) and not registered under the Companies Act and accordingly are not Associate Companies as per section 2(6) of the Companies Act, 2013.

The Company did not have any Subsidiary Company as on 31st March 2016. A statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or joint venture or ventures in Form AOC-1 is Enclosed as **Annexure-I**.

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year: Nil

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

9. Change in the nature of business

There has been no major change in the nature of business of your Company. Further since there is no subsidiary, joint venture and associate company, there is no question for mentioning of change in nature of business of such companies.

10. Directors and Key Managerial Personnel and change therein

During the year under review, Mr. Lalit Seth was appointed as the Chairman & Managing Director of the Company. Mr. Rishi Seth and Mr. Gautam Seth were appointed as Joint Managing Directors. Mr. Chandra Prakash Jain and Mr. Vinod Ratan were appointed as Whole Time Directors. Further, the Company appointed Mr. Jatinder Singh Sabharwal, Mrs. Madhu Bala Nath, Mr. Tarun Sehgal, Mr.

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Jainul Haque and Mr. Virender Kumar Bajaj as Independent Directors of the Company.

The Company has ten directors with an Executive Chairman. Out of ten directors five are independent directors including one woman Director and five are Executive directors.

As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Rishi Seth (DIN 00203469) Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Lalit Seth, Chairman and Managing Director (CMD), Mr. Rishi Seth, Joint Managing Director (JMD), Mr. Gautam Seth, Joint Managing Director (JMD), Mr. Chandra Prakash Jain, Whole Time Director, Mr. Vinod Ratan, Whole time Director and CFO and Mr. Vivek Kumar, Company Secretary of the Company are the Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Companies Act, 2013 and rules made thereunder.

The details of the change in the Directors and KMPs during the year under review are as below:

S.N.	Name	Designation	Reason	Date of appointment
1.	Mr. Lalit Seth	Chairman and Managing Director	Appointment	January 21, 2016
2.	Mr. Rishi Seth	Joint Managing Director	Appointment	January 21, 2016
3.	Mr. Gautam Seth	Joint Managing Director	Appointment	January 21, 2016
4.	Mr. Chandra Prakash Jain	Whole Time Director	Appointment	January 21, 2016
5.	Mr. Vinod Ratan	Whole Time Director and Chief Financial Officer	Appointment	January 21, 2016
6.	Mr. Jatinder Singh Sabharwal	Independent Director	Appointment	January 14, 2016
7.	Mrs. Madhu Bala Nath	Independent Director	Appointment	January 14, 2016
8.	Mr. Tarun Sehgal	Independent Director	Appointment	January 14,

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				2016
9.	Mr. Jainul Haque	Independent Director	Appointment	January 14, 2016
10.	Mr. Virender Kumar Bajaj	Independent Director	Appointment	January 14, 2016
11.	Mr. Vivek Kumar	Company Secretary	Appointment	July 02, 2015
12.	Mr. Manoj Kumar Mishra	Company Secretary	Resignation	April 30, 2015

11. Declaration of Independency

All the Independent Directors of the Company have given their declaration that they continue to meet all the criteria as specified under Section 149(6) of the Companies Act, 2013 in respect of their position as an "Independent Director" in the Company

12. Disclosure of commission paid to managing or whole time directors

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

13. Number of meetings of the Board of Directors

The details of the number of Board's meetings of your Company are as below:

Date of Board Meeting	No. of Director present	Name of Directors present
10.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
13.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
17.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
22.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
04.05.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
21.05.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
28.05.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
06.06.2015	3	Mr. Lalit Seth, Mr. Rishi Seth

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02.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
11.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
20.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
28.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
05.08.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
27.08.2015	3	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
02.09.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
15.09.2015	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
24.09.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
05.10.2015	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
08.10.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
10.10.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
27.10.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
05.11.2015	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
16.11.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
10.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
14.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth

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15.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
24.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
11.01.2016	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
21.01.2016	10	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth, Mr. C.P Jain, Mr. Vinod Ratan, Mr. J.S. Sabharwal, Mr. Tarun Sehgal, Mrs. Madhu Bala Nath, Mr. Jainul Haque and Mr. V.K. Bajaj
04.02.2016	10	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth, Mr. C.P Jain, Mr. Vinod Ratan, Mr. J.S. Sabharwal, Mr. Tarun Sehgal, Mrs. Madhu Bala Nath, Mr. Jainul Haque and Mr. V.K. Bajaj

14. Committee of Board of Directors

The Board of Directors of the Company has constituted the following committees:

- (a) Corporate Social Responsibility Committee
- (b) Nomination & Remuneration Committee
- (c) Audit Committee
- (d) Stakeholder's Relationship Committee
- (e) IPO Committee

The terms of reference of the aforesaid Committee are set-out as **Annexure-II** to this Board's Report.

a. CSR Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social responsibility Policy) Rule, 2014 the composition of the Corporate Social responsibility Committee (CSR Committee) is as under:

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Sl. No.	Name of the Directors	Category
1	Mr. Lalit Seth	Chairman
2.	Mr. Rishi Seth	Director
3	Ms. Madhu Bala Nath	Independent Director
4	Mr. Jainul Haque	Independent Director

Mr. Vivek Kumar, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The details of the number of meetings held during the year under review of the CSR Committee of your Company are as below:

Date of Meeting	No. of Director present	Name of Directors present
21.01.2016	4	Mr. Lalit Seth, Mr. Rishi Seth, Mrs. Madhu Bala Nath and Mr. Jainul Haque

b. Nomination and Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the Rules framed thereunder, the composition of the Nomination and Remuneration Committee is as under:

Sl. No.	Name of the Directors	Category
1	Mr. Jatinder Singh Sabharwal	Independent Director (Chairman)
2.	Mr. Tarun Sehgal	Independent Director
3.	Ms. Madhu Bala Nath	Independent Director

The details of the number of meetings held during the year under review of the Nomination and Remuneration Committee of your Company are as below:

Date of Meeting	No. of Director present	Name of Directors present
21.01.2016	3	Mr. J. S. Sabharwal, Mr. Tarun Sehgal and Mrs. Madhu Bala Nath

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c. Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the composition of the Audit Committee is as under:

Sl. No.	Name of the Directors	Category
1	Mr. Tarun Sehgal	Independent Director (Chairman)
2.	Mr. V. K. Bajaj	Independent Director (Member)
3	Mr. J. S. Sabharwal	Independent Director (Member)
4	Mr. Gautam Seth	Executive Director

Mr. Vivek Kumar, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The Audit Committee was constituted on 21st January, 2016 and during the year under review there was no audit committee meeting held.

d. Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rule framed thereunder the composition of the Stakeholders Relationship Committee is as under:

Sl. No.	Name of the Directors	Category
1	Mr. V. K. Bajaj	Independent Director (Chairman)
2.	Mr. Rishi Seth	Director
3	Mr. Gautam Seth	Director
4	Mr. V. R. Gupta	Director

The Stakeholders Relationship Committee was constituted on 21st January, 2016 and during the year under review there was no Stakeholders Relationship Committee meeting held.

e. IPO Committee

The Company has constituted an IPO Committee with the following composition:

Sl. No.	Name of the Directors	Category
1	Mr. Lalit Seth	Chairman & Managing Director

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2.	Mr. Rishi Seth	Joint Managing Director
3	Mr. Gautam Seth	Joint Managing Director
4	Mr. Vinod Ratan	Whole Time Director

The details of the number of meetings held during the year under review of the IPO Committee of your Company are as below:

Date of Meeting	No. of Director present	Name of Directors present
25.02.2016	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Vinod Ratan

15. Conservation of Energy, Technology Absorption- To be Finalized

The information on conservation of energy and technology absorption stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure-III**.

16. Related Party Transactions

Details of Related Party Transactions as per AOC-2 are provided in **Annexure-IV**.

17. Loans and investments

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- A. Details of investments made by the Company as on 31st March, 2016: As per the details in the audited annual financial statement.
- B. Details of loans given by the Company as on 31st March, 2016: As per the details in the audited annual financial statement.
- C. Details of guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder: Nil