



CA RAM LAL AGRAWAL

B.Com., LL.B., F.C.A

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
M/S SHUBHAM ELECTROCHEM LIMITED
NEW DELHI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **M/S SHUBHAM ELECTROCHEM LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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 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:

1. In the case of the Balance Sheet, of the "State of Affairs" of the Company as at 31st March 2017;
2. In the case of the Statement of Profit and Loss, of the "Profit" for the year ended on that date; and
3. In the case of the Cash Flow Statement, of the "Cash Flows" for the year ended on that date;

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **As required by section 143(3) of the Act, we report that:**
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 audit of all the branch offices of the Company has been conducted by us, hence section 143(8) is not applicable;
 - d. 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;
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f. On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
 - g. 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
 - h. With respect to the other matters 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 does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the Financial Statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016, these disclosures are in accordance with books of accounts maintained by the Company.

Place : Camp Delhi
Date : 20th May, 2017

For R. LAL & COMPANY
Chartered Accountants
Firm Reg. No. 000926C



R. LAL AGRAWAL
Proprietor
M. No. 017583

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S SHUBHAM ELECTROCHEM LIMITED
(Referred to in our Report of even date for F. Y. 2016-17)**

- i.** The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
As explained to us, the fixed assets have been physically verified by the management at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
According to information and explanations given to us, title deed of immovable property is held in the name of Company.
- ii.** As explained to us, inventory has been physically verified by the management at reasonable interval and no material discrepancies were notices on physical verification.
- iii.** The Company has not granted any loans secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- iv.** According to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.
- v.** Directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under have been complied with.
- vi.** Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- vii.** a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Service Tax, Cess, Employees State Insurance, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.
b) There are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Value Added Tax on account of any dispute
- viii.** The Company has not defaulted in the repayment of loans or borrowings to a Financial Institution or Bank or Government or due to Debenture holders.
- ix.** According to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer or term loan during the year
- x.** According to the information, explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi.** According to the information & explanations given to us, provision of section 197 read with Schedule V to the Companies Act, 2013 for managerial remuneration paid or provided have been complied with
- xii.** According to the information & explanation given to us, the Company is not Nidhi Company; therefore this clause is not applicable to the company.
- xiii.** According to the information & explanation given to us, the provisions of section 177 and 188 of the Companies Act, 2013 regarding transaction with related parties have been complied with and details of the transaction as per applicable accounting standard have been disclosed in the notes to accounts of the financial statements.



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S SHUBHAM ELECTROCHEM LIMITED
(Referred to in our Report of even date for F. Y. 2016-17)**

- xiv. According to the information & explanation given to us, this clause is not applicable to the company because the company has not made preferential allotment or private placement of share or fully or partly convertible debenture during the year.
- xv. According to the information & explanation given to us, no non-cash transactions with directors or persons connected with him, have been taken place during the year, hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. According to the information & explanation given to us, the company does not required to registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Place : Camp Delhi
Date : 20th May, 2017**

**For R. LAL & COMPANY
Chartered Accountants
Firm Reg. No. 000926C**



**A. RAM LAL AGRAWAL)
Proprietor
M. No. 017583**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S SHUBHAM ELECTROCHEM LIMITED
(Referred to in our Report of even date for F. Y. 2016-17)**

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB - SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

We have audited the internal financial controls over financial reporting of **M/S SHUBHAM ELECTROCHEM LIMITED** as of 31st 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S SHUBHAM ELECTROCHEM LIMITED
(Referred to in our Report of even date for F. Y. 2016-17)**

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 31st 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.

**Place : Camp Delhi
Date : 20th May, 2017**

**For R. LAL & COMPANY
Chartered Accountants
Firm Reg. No. 000926C**



**RAM LAL AGRAWAL)
Proprietor
M. No. 017583**

M/S SHUBHAM ELECTROCHEM LIMITED

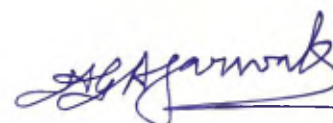
Balance Sheet as at 31st March 2017

Particulars	Note No.	Figure a as at the end of current reporting period	Figure a as at the end of previous reporting period
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	50,00,000	50,00,000
(b) Reserves and Surplus	2	2,31,69,122	2,29,25,326
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	3	18,652	20,827
(d) Short-Term Provisions	4	19,350	92,756
Total Equity & Liabilities		2,82,07,124	2,80,38,909
		₹	₹
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	5	25,72,524	26,85,796
(b) Non-Current Investments	6	47,48,536	47,48,536
(c) Deferred Tax Assets (Net)	7	14,971	(1,985)
(d) Long Term Loans And Advances		-	-
(e) Other Non-Current Assets		-	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	8	1,570	773
(c) Trade Receivables		-	-
(d) Cash and Cash Equivalents	9	8,02,946	3,84,212
(e) Short-Term Loans And Advances	10	2,00,66,577	2,02,21,577
(f) Other Current Assets		-	-
Total Assets		2,82,07,124	2,80,38,909

Notes referred to above form an integral part of the Financial Statements
As per our Report of even date attached

For and on behalf of the Board

For R. LAL & COMPANY
Chartered Accountants
Firm Reg. No. 000926C



(Director)

(CA. RAM LAL AGRA) Proprietor
M. No. 017583
Place : Camp Delhi
Date : 20th May, 2017




(Director)

M/S SHUBHAM ELECTROCHEM LIMITED
Profit & Loss Statement for the Year Ended on 31st March 2017

Sr. No.	Particulars	Note No.	Figure as at the end of current reporting period	Figure as at the end of previous reporting period
			₹	₹
I	Revenue from operations		10,55,643	12,48,416
II	Other Income		-	4,91,393
III	Total Revenue (I+II)	11	10,55,643	17,39,809
IV	Expenses:			
	Cost of operations		1,46,730	3,78,382
	Decrease/(increase) in stock		(797)	216
	Employee Benefit Expense	12	2,67,585	2,91,400
	Financial Costs		-	-
	Depreciation and Amortization Expenses	13	1,13,272	2,60,206
	Other Expenses	14	2,80,279	3,29,556
	Total Expenses (IV)		8,07,069	12,59,760
V	Profit before exceptional and extraordinary items and tax (III-IV)		2,48,574	4,80,049
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V-VI)		2,48,574	4,80,049
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII-VIII)		2,48,574	4,80,049
X	Tax expense:			
	(1) Current tax		19,350	92,756
	(2) Deferred tax		(16,956)	(273)
	(3) Last Year tax		2,384	-
XI	Profit/(Loss) for the period from continuing operations (IX-X)		2,43,796	3,87,566
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(Loss) from Discontinuing operations after tax (XII-XIII)		-	-
XV	Profit/(Loss) for the period (XI+XIV)		2,43,796	3,87,566
XVI	Earning per equity share:	18		
	(1) Basic		0.49	0.78
	(2) Diluted		0.49	0.78

Notes referred to above form an integral part of the Financial Statements
As per our Report of even date attached

For and on behalf of the Board

For R. LAL & COMPANY
Chartered Accountants
Firm Reg. No. 009926C

Rd Agrawal

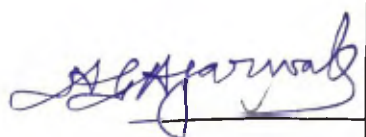


(CA. RAM LAL AGRAWAL)
Proprietor
M. No. 017583
Place : Camp Delhi
Date : 20th May, 2017

[Signature]
(Director)

[Signature]
(Director)

M/S SHUBHAM ELECTROCHEM LIMITED
Cash Flow Statement for the Year Ended on 31st March 2017

(Amount in ₹)

Particulars	2016-2017	2015-2016
Cash Flows from Operating Activities:		
Net Profit before taxation, and extraordinary items	2,48,574	4,80,049
Adjustments for		
Depreciation	1,13,272	2,60,206
Interest On FDR	-	-
Interest on Income Tax Refund	-	(4,91,393)
Preliminary Expenses W/O	-	-
Operating Profit before working capital changes	3,61,846	2,48,862
Adjustments for		
Short Term Loans & Advances	1,55,000	20,14,423
Current Assets	(797)	216
Current Liabilities & Provisions	(75,581)	77,171
Cash generated from operations	4,40,468	23,40,672
Direct Taxes	21,734	92,756
Cash flow before extraordinary item	4,18,734	22,47,916
Extraordinary items	-	-
Net Cash from / (used) Operating activities	4,18,734	22,47,916
Cash Flows from Investing Activities:		
Interest Income	-	4,91,393
Purchase of Fixed Assets	-	(19,600)
Purchase of Shares	-	(25,69,529)
Decrease/(Increase) in Long Term Loans and Advances	-	-
Net Cash from / (used) Investing activities	-	(20,97,736)
Net Cash from Financing activities:		
Proceeds/(Repayment) of Secured Loan	-	-
Proceeds/(Repayment) of UnSecured Loan	-	-
Interest Paid	-	-
Interest Received	-	-
Net Cash from / (used) Financing activities	-	-
Net Increase in Cash & Cash equivalents	4,18,734	1,50,180
Cash & Cash equivalents at beginning of period	3,84,212	2,34,032
Cash & Cash equivalents at end of period	8,02,946	3,84,212
Signed in terms of our Report of even date	For and on behalf of the Board	
For R. LAL & COMPANY Chartered Accountants Firm Reg. No. 000260	 (Director)	
 (CA. RAM LAL AGRWAL) Proprietor M. No. 017583 Place : Camp Delhi Date : 20 th May, 2017	 (Director)	

M/S SHUBHAM ELECTROCHEM LIMITED
Accounting Policies Forming Integral Part of the Financial Statements

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention method, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013, as adopted consistently by the Company. The Company has followed Mercantile System of Accounting and the accounts have been made consistently on accrual basis as a going concern.

The Company complies with the relevant provision of the Companies Act, 2013 and applicable accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government of India and the guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable.

The financial statements are presented in Indian rupees rounded off to the nearest rupee.

B. STOCK IN TRADE

Inventories are stated at the lower of cost or net realizable value after providing for obsolescence, if any. Cost of Inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition.

C. CASH FLOW STATEMENT

As required by Accounting Standard-3 "Cash Flow Statement" issued by "The Institute of Chartered Accountants of India" the Cash Flow for the period is reported using indirect method. The Cash and Cash Equivalent of the Company comprises of Cash in hand and Current account with Scheduled Banks.

D. DEPRECIATION

Depreciation for current financial year has been provided on straight-line method in the manner and at the rates specified in Schedule II to the Companies Act, 2013 and on pro rata basis from the date of installation till the date the assets are sold or disposed off.

E. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

- a) Sales are recognized on generation of sale bill or clearance of goods from factory whichever is earlier and are recorded exclusive of excise duty, service tax and sales tax.
- b) Export benefits are recognized on accrual basis.
- c) Scrap, salvaged/waste materials and sweepings are recognized on actual realization basis.

F. FIXED ASSETS

All assets held with the intention of being used for the purpose of producing goods or providing services and not for sale in the normal course of business are recognized as Fixed Assets and are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including finance cost attributable to fixed assets till assets are ready for intended use are capitalized.



M/S SHUBHAM ELECTROCHEM LIMITED
Accounting Policies Forming Integral Part of the Financial Statements

G. INVESTMENTS

The following policies have been adopted in respect of Investments made:

- i) Investments that are readily realizable and are intended not to be held for more than one year from the date of acquisition are classified as current investments. All other investments are classified as Long term investments.
- ii) The Company values its Investments based on the Accounting Standard- 13 "Accounting for Investment" issued by the Institute of Chartered Accountants of India:
 - a) Investment held as long-term investments are valued at cost. Provision for diminution in value is made only if there is a permanent decline in their net realizable value.
 - b) Current investments are valued at lower of cost or net realizable value.

H. BORROWING COSTS

- i) Borrowing costs, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized as a part of the cost of assets.
- ii) All borrowing costs other than mentioned above are expensed in the period they are incurred. In case of unamortized identified borrowing cost is outstanding at the year end, it is classified under loans and advances as unamortized cost of borrowings.
- iii) In case any loan is prepaid/ cancelled then the unamortized borrowing cost, if any, is fully expensed off on the date of prepayment/cancellation.

I. RELATED PARTIES

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 "Related Party Disclosure" only following related party relationships are covered:

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel (KMP) and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

J. LEASE ASSETS

Assets taken on lease are accounted for in accordance with AS-19 "Accounting for Lease" issued by "The Institute of Chartered Accountants of India".

K. EARNING PER SHARE

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period after deducting Proposed Preference Dividend and any attributable tax thereto.

For the purpose of calculating (Basic and Diluted EPS), the number of equity shares taken are the weighted average number of equity shares outstanding during the period.



M/S SHUBHAM ELECTROCHEM LIMITED
Accounting Policies Forming Integral Part of the Financial Statements

L. INTANGIBLE ASSETS

Intangible assets are recognized only when four of below mentioned criteria are fulfilled:

- a) Asset is identifiable.
- b) Control of the enterprise over that asset.
- c) It is probable that future economic benefits attributable to the asset will flow to the enterprise.
- d) Cost of the asset can be measured reliably.

If any of the above four criteria is not fulfilled the expenditure incurred to acquire the asset is recognized as an expense, in the year in which it is incurred.

Intangible assets are initially measured at cost, after initial recognition the intangible asset is carried at its carrying value i.e. cost less any accumulated amortization and accumulated impairment losses.

M. IMPAIRMENT OF ASSETS

An asset is treated as impaired, when carrying cost of asset exceeds its recoverable amount.

At each Balance Sheet Date, it is seen that whether there is any indication that an asset may be impaired, if any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss; if any. Such impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to its revised estimate of its recoverable amount. However this increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset in prior period. A reversal of an impairment loss is recognized as income immediately in the Profit & Loss Account.

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements and will be recognize only when its realization is virtually certain.

O. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

P. FOREIGN CURRENCY TRANSACTIONS

As prescribed in Accounting Standard 11 (AS- 11)- "The effect of changes in foreign exchange rates", Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange differences, if any arising from foreign currency transactions are dealt in the statement of profit and loss at year end rates.



M/S SHUBHAM ELECTROCHEM LIMITED
Notes Forming Integral Part of the Financial Statements

Note : 1 Share Capital

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	AUTHORIZED CAPITAL 5,00,000 Equity Shares of ₹ 10/- each	50,00,000	50,00,000
		50,00,000	50,00,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 5,00,000 Equity Shares of ₹ 10/- each, Fully Paid up	50,00,000	50,00,000
		50,00,000	50,00,000
	Reconciliation		
	Opening No. of Shares 5,00,000		
	Add: Issued During the year -		
	Less: Bought Back -		
	Closing No. of Shares 5,00,000		
	Total in ₹	50,00,000	50,00,000

Shares in the Company held by each shareholder holding more than 5% shares

Sr. No.	Name of Share Holder	No. of Shares	% of shares held
1	S. E. Power Limited	5,00,000	100%

Note : 2 Reserves & Surplus

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	Security Premium	13,74,275	13,74,275
2	General Reserve	2,14,67,500	2,14,67,500
3	Surplus (Profit & Loss Account)	3,27,347	83,551
	Balance brought forward from previous year	83,551	(3,04,015)
	Add: Profit for the year	2,43,796	3,87,566
	Total in ₹	2,31,69,122	2,29,25,326

Note : 3 Other Current Liabilities

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	Expenses Payable	15,000	17,175
2	Other Liabilities	3,652	3,652
	Total in ₹	18,652	20,827



M/S SHUBHAM ELECTROCHEM LIMITED
Notes Forming Integral Part of the Financial Statements

Note : 4 Short Term Provisions

Sr. No.	Particulars	₹ Current Year	₹ Previous Year
1	Others Provision for Taxation	19,350	92,756
	Total in ₹	19,350	92,756

Note : 6 Non Current Investments

Sr. No.	Particulars	₹ Current Year	₹ Previous Year
1	Other Investments Investments in Quoted Equity Shares Investments in Un-quoted Equity Shares	- 47,48,536	- 47,48,536
	Total in ₹	47,48,536	47,48,536

- Investments in quoted shares have been valued at book value.
- Investments in un-quoted shares have been valued at cost.

Note : 7 Deferred Tax Assets

Sr. No.	Particulars	₹ Current Year	₹ Previous Year
1	Opening Balance	(1,985)	(2,258)
	Provision made during the year	16,956	273
	Closing Balance	14,971	(1,985)
	Total in ₹	14,971	(1,985)

Note : 8 Inventories

Sr. No.	Particulars	₹ Current Year	₹ Previous Year
1	Others (Certified by the Management)	1,570	773
	Total in ₹	1,570	773

- Inventories are valued at cost or market value which ever is less.

Note : 9 Cash & Cash Equivalent

Sr. No.	Particulars	₹ Current Year	₹ Previous Year
1	Cash in Hand	7,75,159	3,78,213
	Sub Total (A)	7,75,159	3,78,213
2	Balances with Bank	27,787	5,999
	Sub Total (B)	27,787	5,999
	Total in ₹ [A+B]	8,02,946	3,84,212

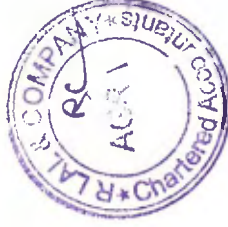


M/S SHUBHAM ELECTROCHEM LIMITED

Notes Forming Integral Part of the Financial Statements

Note : 5 Fixed Assets

Sr. No.	Particulars	Gross Block			Depreciaton			Net Block	
		Value at the beginning	Addition during the year	Value at the end	Value at the beginning	Addition during the year	Value at the end	WDV as on 31.03.17	WDV as on 31.03.16
1	<u>Tangible Assets</u>								
1	Furniture	61,062	-	61,062	30,495	7,858	38,353	22,709	30,567
2	Computer	57,210	-	57,210	37,797	11,269	49,066	8,144	19,413
3	Property	28,76,152	-	28,76,152	2,40,336	94,145	3,34,481	25,41,671	26,35,816
	Total (Current Year)	29,94,424	-	29,94,424	3,08,628	1,13,272	4,21,900	25,72,524	26,85,796
	Total (Previous Year)	29,74,824	19,600	29,94,424	48,422	2,60,206	3,08,628	26,85,796	29,26,402



M/S SHUBHAM ELECTROCHEM LIMITED
Notes Forming Integral Part of the Financial Statements

Note : 10 Short Terms Loans and Advances

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	Others Advance Recoverable in cash or in kind or for value to be considered good Other Loans & Advances	2,00,66,577	2,02,21,577
	Total in ₹	2,00,66,577	2,02,21,577

Note : 11 Other Income

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	Profit on Sale of Shares	-	4,91,393
	Total in ₹	-	4,91,393

Note : 12 Employee Benefit Expenses

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	Salary	2,67,585	2,91,400
	Total in ₹	2,67,585	2,91,400

- There is no employee who has drawn more than ₹ 6,000,000 per annum or ₹ 500,000 per month during the year.
- No Remuneration has been paid to the directors during the year.

Note : 13 Depreciation & Amortization Expenses

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	Depreciation	1,13,272	2,60,206
	Total in ₹	1,13,272	2,60,206

Note : 14 Other Expenses

Sr. No.	Particulars	₹	₹
		Current Year	Previous Year
1	Auditor's Remuneration	15,000	17,175
2	Telephone Expenses	5,182	8,414
3	Office Expenses	1,99,245	2,42,549
4	Postage & Stamp	2,786	2,683
5	Conveyance Expenses	38,539	44,398
6	Printing & Stationery	6,672	5,257
7	Electricity Expenses	12,855	9,080
	Total in ₹	2,80,279	3,29,556



M/S SHUBHAM ELECTROCHEM LIMITED
Notes Forming Integral Part of the Financial Statements

15. Remuneration to Auditor:

(Amount in ₹)

Particulars	2016-2017	2015-2016
For Statutory Audit	10,000	10,000
For Certification work/other services	5,000	5,000
Total	15,000	15,000

Above Figures are excluding Service Tax

16. There are no Contingent liabilities as on 31.03.2017.

17. Disclosure of related party transactions:

A. Holding Company

M/s S. E. Power Limited

B. Related Party

Key Managerial Personnel (KMP)

Mr. Ravindra Agrawal

Relation

Director

Relatives of KMP

Mrs. Shilpa Agarwal

Spouse of Mr. Ravindra Agrawal

Ms. Rishika Agarwal

Daughter of Mr. Ravindra Agrawal

Ms. Saumya Agarwal

Daughter of Mr. Ravindra Agrawal

Mr. Devendra Kumar Agarwal

Brother of Mr. Ravindra Agrawal

Mrs. Sangeeta Jain

Sister of Mr. Ravindra Agrawal

Mr. Shashi Bhushan Agarwal

Father of Mr. Ravindra Agrawal

Mrs. Prem Lata Agarwal

Mother of Mr. Ravindra Agrawal

C. There are no Enterprises over which significant influence exercised by Key Managerial Personnel/Directors/Relatives of key Management Personnel during the year.

D. There are no related parties transaction during the year.

Notes:

- (1) Related party relationship is as identified by the Management on the basis of information available with them and accepted by the auditors as correct.
- (2) No amount has been written off or written back during the year in respect of debt due from or to related parties.



M/S SHUBHAM ELECTROCHEM LIMITED
Notes Forming Integral Part of the Financial Statements

18. Earning Per Share:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Net Profit after tax	2,43,795	3,87,566
Profit available to equity share holders (A)	2,43,795	3,87,566
Number of Equity Shares		
-Weighted average number of Equity Shares outstanding (Face Value of ₹10/- each) (B)	5,00,000	5,00,000
Basic/Diluted Earnings per Share (in ₹) (A / B)	0.49	0.78

19. No amount is payable to Small Scale Industrial Undertakings. The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid at the yearend together with interest paid/payable as required under the Act cannot be furnished.
20. The Company has only one segment. Accordingly, Reporting as per Accounting Standard-17 is not applicable.
21. The Company did not have any holding or dealing in Specified Bank Note (SBN) during the period from 8th November to 30th December 2016.
22. Figures of the previous year have been regrouped/rearranged/reclassified wherever considered necessary.

