M/s R. LAL AND COMPANY

Chartered Accountants

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CA RAM LAL AGRAWAL

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

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
M/S SHUBHAM ELECTROCHEM LIMITED
DELHI

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **M/s Shubham Electrochem Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

R LAL & COMPANY
AGRA
Chartered Accountants

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. In the case of the Balance Sheet, of the "State of Affairs" of the Company as at 31st March 2018;
2. In the case of the Statement of Profit and Loss, including Other Comprehensive Income of the "Income and Income" 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 including other Comprehensive Income and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   - **e.** In our opinion, the aforesaid Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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.

Place : Delhi
Date : 16.05.2018

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

R. LAL & COMPANY AGRA Chartered Accountants

(CA. RAM LAL AGRAWAL)
Proprietor
Membership 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. 2017-18)

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, the title deeds of immovable properties are held in the name of the company.

ii. As explained to us, inventories have been physically verified by the management at reasonable interval.
In our opinion and according to information and explanations given to us, no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, LLP 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 ruled framed there under are not applicable to the Company.

vi. Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.

vii. 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.
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 during the year. The term loan raised during the year has been utilized for the purpose for which it has been taken.

x. According to the information and 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.

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.

R LAL & COMPANY
AGRA
Chartered Accountants

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. 2017-18)

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 require to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Delhi
Date : 16.05.2018

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

R. LAL & COMPANY AGRA Chartered Accountants

(CA. RAM LAL AGRAWAL)
Proprietor
Membership 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. 2017-18)

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 2018 in conjunction with our audit of the Ind AS 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.

R LAL & COMPANY AGRA Chartered Accountants

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. 2017-18)

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Delhi
Date : 16.05.2018

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

R. LAL & COMPANY AGRA Chartered Accountants

(CA. RAM LAL AGRAWAL)
Proprietor
Membership No. 017583

M/S SHUBHAM ELECTROCHEM LIMITED

Balance Sheet as at 31st March, 2018

Particulars	Notes No.	Figures as at the end of 31st March, 2018	Figures as at the end of 31st March, 2017	Figures as at the beginning of 1st April, 2016
I. ASSETS		₹	₹	₹
(1) Non Current Assets				
(a) Property, Plant and Equipment	1	24,69,318	25,72,524	26,85,796
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other intangible assets		-	-	-
(f) Intangible assets under development		-	-	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Financial assets				
(i) Investments	2	47,48,536	47,48,536	47,48,536
(ii) Trade receivables		-	-	-
(iii) Loans		-	-	-
(iv) Other financial assets		-	-	-
(i) Deferred tax assets (net)	3	1,36,295	14,971	(1,985)
(j) Other non-current assets		-	-	-
(2) Current Assets				
(a) Inventories	4	1,850	1,570	773
(b) Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Cash and cash equivalents	5	11,76,288	8,02,946	3,84,212
(iv) Bank balances other than Cash and Cash equivalents above		-	-	-
(v) Loans	6	1,99,55,000	2,00,65,000	2,01,45,000
(vi) Others (to be specified)		-	-	-
(c) Current Tax Assets (Net)	7	74,167	1,577	76,577
(d) Other current assets		-	-	-
Total Assets		2,85,61,454	2,82,07,124	2,80,38,909
		₹	₹	₹
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	8	50,00,000	50,00,000	50,00,000
(b) Other equity	9	2,34,79,052	2,31,69,122	2,29,25,326
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade payable		-	-	-
(iii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-current liabilities		-	-	-
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		-	-	-
(iii) Other financial liabilities		-	-	-
(b) Other current liabilities	10	18,652	18,652	20,827
(c) Provisions	11	63,750	19,350	92,756
(d) Current tax liabilities (Net)		-	-	-
Total Equity and Liabilities		2,85,61,454	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 R. LAL AND COMPANY
Chartered Accountants
Firm Reg. No. 000926C

R. LAL & COMPANY AGRA Chartered Accountants

(CA. RAM LAL AGRAWAL)
Proprietor
Membership No. 017583
Place : Delhi
Date : 16.05.2018

For and on behalf of the Board

(ARUN GOPAL AGARWAL)
Director
DIN : 00374421

(RUTVIJ RAMCHANDRA KHANGIWALE)
Director
DIN : 08096979

M/S SHUBHAM ELECTROCHEM LIMITED

Profit & Loss Statements for the year ended on 31st March, 2018

Sr. No.	Particulars	Notes No.	Figures as at the end of 31st March, 2018	Figures as at the end of 31st March, 2017
			₹	₹
I	Revenue from operations		10,36,750	10,55,643
	Total Revenue (I)		**10,36,750**	**10,55,643**
II	**Expenses:**			
	Cost of Material Consumed		1,41,760	1,46,730
	Change in Inventories of Finished Good and Work in Progress		(280)	(797)
	Employee Benefit Expenses	12	2,76,450	2,67,585
	Financial Cost		-	-
	Other Expenses	13	2,82,608	2,80,279
	Depreciation and Amortization Expenses	14	1,03,206	1,13,272
	Total Expenses (II)		**8,03,744**	**8,07,069**
III	Profit before exceptional items and tax (I-II)		**2,33,006**	**2,48,574**
IV	Exceptional items		-	-
V	Profit before tax (III-IV)		**2,33,006**	**2,48,574**
VI	**Tax Expenses:**			
	(1) Current Tax		44,400	19,350
	(2) Deferred Tax	3	(1,21,324)	(16,956)
	(3) Previous Year Tax		-	2,384
VII	Profit for the year (V-VI)		**3,09,930**	**2,43,796**
VIII	**Other Comprehensive Income:**			
	(1) Items that will not be reclassified to profit or loss		-	-
	(2) Income tax relating to items that will not be reclassified to profit or loss		-	-
	(3) Items that will be reclassified to profit or loss		-	-
	(4) Income tax relating to items that will be reclassified to profit or loss		-	-
IX	Total Other Comprehensive Income for the year		-	-
X	Total Comprehensive Income for the year (VII+IX)		**3,09,930**	**2,43,796**
XI	**Earning per equity share:**	19		
	(1) Basic		0.62	0.49
	(2) Diluted		0.62	0.49

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

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

R. LAL & COMPANY AGRA Chartered Accountants

(CA. RAM LAL AGRAWAL)
Proprietor
Membership No. 017583
Place : Delhi
Date : 16.05.2018

For and on behalf of the Board

(ARUN GOPAL AGARWAL)
Director
DIN : 00374421

(RUTVIJ RAMCHANDRA KHANGIWALE)
Director
DIN : 08096979

M/S SHUBHAM ELECTROCHEM LIMITED

Cash Flow Statement for the year ended on 31st March, 2018

(Amount in ₹)

Particulars		2017-18		2016-17
Cash Flows from Operating Activities:				
Net Profit before taxation, and extraordinary items		2,33,006		2,48,574
Adjustments for				
Depreciation	1,03,206		1,13,272	
Interest Expense	-		-	
Preliminary Expenses W/O	-		-	
Operating Profit before working capital changes		3,36,212		3,61,846
Adjustments for				
Short Term Loans & Advances	37,410		1,55,000	
Inventories and Trades Receivable	(280)		(797)	
Current Liabilities & Provisions	44,400		(75,581)	
Cash generated from operations		4,17,742		4,40,468
Direct Taxes		44,400		21,734
Cash flow before extraordinary item		3,73,342		4,18,734
Extraordinary items		-		-
Net Cash from / (used) Operating activities		3,73,342		4,18,734
Cash Flows from Investing Activities:				
Proceed from Share Capital	-		-	
Purchase of Fixed Assets	-		-	
Purchase of Shares	-		-	
Decrease/(Increase) in Long Term Loans and Advances	-		-	
Net Cash from / (used) Investing activities		-		-
Net Cash from Financing activities:				
Proceeds/(Repayment) of Secured Loan	-		-	
Proceeds/(Repayment) of UnSecured Loan	-		-	
Interest Paid	-		-	
Net Cash from / (used) Financing activities		-		-
Net Increase in Cash & Cash equivalents		3,73,342		4,18,734
Cash & Cash equivalents at beginning of period		8,02,946		3,84,212
Cash & Cash equivalents at end of period		11,76,288		8,02,946

Signed in terms of our Report of even date

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

R. LAL & COMPANY AGRA Chartered Accountants

(CA. RAM LAL AGRAWAL)
Proprietor
Membership No. 017583
Place : Delhi
Date : 16.05.2018

For and on behalf of the Board

(ARUN GOPAL AGARWAL)
Director
DIN : 00374421

(RUTVIJ RAMCHANDRA KHANGIWALE)
Director
DIN : 08096979

M/S SHUBHAM ELECTROCHEM LIMITED

Accounting Policies Forming Integral Part of the Ind AS Financial Statements

A. BASIS OF PREPARATION OF THE IND AS FINANCIAL STATEMENTS

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors .

The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

B. INVENTORIES

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. STATEMENT OF CASH FLOW

As required by Ind AS-7 "Statement of Cash Flow" 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.

R LAL & COMPANY AGRA Chartered Accountants

M/S SHUBHAM ELECTROCHEM LIMITED

Accounting Policies Forming Integral Part of the Ind AS Financial Statements

F. PROPERTY, PLANT AND EQUIPMENTS

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 Property, Plant and Equipments and are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including finance cost attributable to Property, Plant and Equipments till assets are ready for intended use are capitalized.

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 Ind AS "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 Property, Plant and Equipments, 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 Ind AS-24 "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 Ind AS-17 "Accounting for Lease" issued by "The Institute of Chartered Accountants of India".

R LAL & COMPANY AGRA Chartered Accountants

M/S SHUBHAM ELECTROCHEM LIMITED

Accounting Policies Forming Integral Part of the Ind AS Financial Statements

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