

## Textual information (42)

### Disclosure of accounting policies, change in accounting policies and changes in estimates explanatory [Text Block]

Notes on Financial Statements

Note 1 : Significant accounting policies

#### (a) BASIS OF PREPARATION :

The Financial Statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Finance Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended]

#### USE OF ESTIMATES

The Preparation of financial statements requires estimates and assumption to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.

#### (b) Current-non current classification

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

Assets:

An asset is classified into current and non current.

(I) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(II) It is held primarily for the purpose of being traded;

(III) It is expected to be realised within 12 months after the reporting date; or

(IV) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months from original maturity.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

Liability:

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

(I) It is expected to be settled in the company's normal operating cycle;

(II) It is held primarily for the purpose of being traded;

(III) It is due to be settled within 12 months after the reporting date; or

(IV) 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 liability that could, at the option of the counter party, 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.

#### (c) FIXED ASSETS :

##### Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment loss (if any). Cost comprises of purchase price, non refundable duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

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##### Intangible Fixed Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization and impairment loss (if any). Cost of acquisition comprises of purchase price, non refundable duties, levies and any directly attributable cost of bringing the intangible assets to its working condition for the intended use.

#### (d) DEPRECIATION :

Depreciation on Fixed Assets has been provided on Straight Line Method based on useful life of the assets specified in part C of Schedule II of the Companies Act 2013, other than the following asset class based on the Company's estimated supported by technical assessment.

Certain Plant and Machinery- 5 to 15 years Depreciation on additions is calculated from the date asset is put to use.

Intangible assets are amortized on a straight line basis over their estimated useful lives.

Assets Estimated Useful Life  
Software 3 years

(e) IMPAIRMENT OF ASSETS

As per the opinion of the management, there being no indication of impairment of assets, no loss has been recognized on impairment of assets.

(f) CAPITAL WORK IN PROGRESS

Project under commissioning and other Capital work in Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(g) INVESTMENT

Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long- term investments. Current Investments are carried at lower of cost and fair value. Long Term Investments are stated at cost. However, Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

(h) CURRENT ASSETS :

Inventories are valued at lower of cost or net realisable value.

Stores and Spares : At cost  
Raw Materials : On FIFO basis  
Work in progress : At cost  
Traded Goods : On FIFO basis

Sundry Debtors are stated after making adequate provision for Doubtful Bad Debts.

(i) REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sales of goods, services, Sales tax, service tax, excise duty and sales during the trial run period, adjusted for discounts(net), Value Added Tax(VAT) and gain/loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

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(j) TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(k) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

(l) EMPLOYEE BEBEFITS

(i) Short term employee benefits are recognized as an expenses at the undiscounted amount in the Statement of Profit & Loss for the period in which the related services is rendered.

(ii) Post-employment and other long term employee benefits are recognized as an expenses in the statement of Profit & Loss for the period in which employee has rendered services. The expenses are recognized at the present value of amount payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post-employment and other long term benefits are charged to Statement of Profit and Loss.

(m) CASH FLOW STATEMENT

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(n) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

Borrowing costs includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(o) CONTINGENT LIABILITY AND PROVISIONS

Contingent liabilities are possible but not probable obligation as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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(p) Export benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustment in raw material consumption.

(q) SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with accounting policies of the company. Segment revenue, Segment expenses, Segment Assets and Segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(r) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earning per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares other than the conversion of potential equity shares that they have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(s) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency monetary assets and liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

(t) GOVERNMENT GRANTS

Government grants / subsidies received towards specific fixed assets have been deducted from the gross value of the concerned fixed assets and grant / subsidies received during the year towards revenue expenses have been reduced from respective expenses.

As at	As at
2018-19	2017-18
Amount in Lakh	Amount in Lakh

Note 30 : Contingent Liability

- |   |       |        |
|---|-------|--------|
| (1) For capital expenditure commitment (Net of payment) | 96.18 | 491.58 |
| (2) Bank guarantee                                      | 57.88 | 147.16 |

Note 31 : Segment Reporting

The Company has presented segment information in its consolidated financial statements which are part of the same annual report. Accordingly, in terms of provisions of Accounting standard of Segment reporting (AS-17) no disclosure related to the segment is presented in the standalone financial statements.

Note 32 : Related Party Disclosure

As per the Accounting Standard 18, the Disclosure of transaction with the related parties are given below:

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationship.

Sr.No.	Name of the Party	Nature of Relationship
1	Shri Paresh N. Vasani	Key Managerial Personnel
2	Shri Aashay P Vasani	Relative of Key Managerial Personnel
3	Smt Preeti A. Chouksey	Chief Financial Officer
4	Smt Amrita B. Chandwani	Company Secretary (Till 19th December 2018)
5	Smt Krupali Shah	Company Secretary (From 15th April 2019)
6	PCB Power Inc. USA	Wholly Owned Subsidiary
7	PCB Power (India) Ltd.	Wholly Owned Subsidiary

8 PCB Planet (India) Pvt. Ltd. Associate  
9 Eurocircuits India Pvt. Ltd. Associate

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Note 33 : Foreign Currency Exposure

Foreign currency exposures remaining un hedged at the year end:

31.03.2019  
Particulars Currency (In lakh) (In lakh)  
(In Foreign Currency) ( In INR)  
(A) Against Export USD 0.03 2.26  
(B) Against Import  
(Including Capital USD 0.43 29.70  
Import) Euro 0.03 2.63

31.03.2018  
Particulars Currency (In lakh) (In lakh)  
(In Foreign Currency) ( In INR)  
(A) Against Export USD 0.05 3.25  
(B) Against Import Euro  
(Including Capital USD 2.49 162.01  
Import)

Note 34 : Disclosures as Required under section 186(4) of the companies Act,2013

Particulars 31.03.2019 31.03.2018

Investment made in equity shares

PCB Power Inc USA 355.85 Nil

Note 35: During the year company had floated wholly owned foreign subsidiary , PCB Power Inc. at USA.

Note 36: Figures of previous year have been regrouped wherever necessary.

Note 37: Figures have been presented in 'Lakh' of rupees with two decimals. Figures less than Rs. 10,000 have been shown actual in brackets.

For and on behalf of the Board As per our Report of even date

For Rajendra D Shah & Co.

Chartered Accountants

Managing Director Chief Financial officer Firm Registration No. 108363W

DIN : 1376786

Director Company Secretary

DIN : 2559296 (Rajendra D Shah)

Proprietor

Place : Ahmedabad Membership No. 4844

Date : August 29 , 2019

Notes 38:-

As per accounting standard 15 "Employee Benefits " (Revised 2005) the disclosures of Employee benefits are defined in the accounting standard are given below

(i) Defined Contribution plan (Rs. In lakh)

2018-19 2017-18

Employer`s contribution to provident fund 19.79 19.69

Employer`s contribution to Superannuation fund Nil Nil

(ii) The present value of obligation is determined

on actuarial valuation using the projected unit credit method, which recognises each period of service to build up the final obligation. (Rs. In lakh)

01.04.2018 To 31.03.2019 01.04.2017 To 31.03.2018

Gratuity Leave Gratuity Leave

(Funded) Encashment (Funded) Encashment

(Unfunded) (Unfunded)

(a) Reconciliation of opening and closing balance of defined benefits obligation

Defined Benefits obligation at beginning of the period 34.70 10.14 31.30 10.26

Current Service Cost 2.56 2.64 1.97 4.51  
 Interest Cost 2.42 0.73 2.20 0.72  
 Actuarial gain/(loss) (0.15) 10.86 (6.37) 1.47  
 Past service Cost Nil Nil 6.85 Nil  
 Benefits paid (0.94) (9.54) (1.25) (6.82)

Defined Benefits obligation at end of the year 38.59 14.83 34.70 10.14

(b) Reconciliation of opening and closing balance of fair value of plan assets

Fair value of plan assets at beginning of the year 14.10 Nil 10.84 Nil

Expected return on plan assets 0.97 Nil 0.76 Nil  
 Actuarial gain/(loss) 0.02 Nil 1.73 Nil  
 Employer contribution 3.47 Nil 2.01 Nil  
 Benefits paid (0.94) Nil (1.24) Nil  
 Fair value of plan assets at year end 17.62 Nil 14.10 Nil

(c) Reconciliation of fair value of assets and obligation

Fair value of plan assets 17.62 Nil 14.10 Nil  
 Present value of funded obligation 38.59 14.83 34.70 10.14  
 Amount recognised in Balance Sheet (20.97) (14.83) (20.60) (10.14)

(d) Expenses recognised during the period

Current Service Cost 2.56 2.64 1.97 4.51  
 Interest Cost 2.42 0.73 2.20 0.72  
 Expected return on plan assets 0.97 Nil 0.76 Nil  
 Actuarial (gain)/loss (0.15) 10.86 (6.37) 1.47  
 Recognised past Service Cost-Vested 6.82 Nil 6.82 Nil  
 Recognised past Service Cost-Unvested 0.03 Nil 0.03 Nil  
 Net Cost 12.66 14.23 5.41 6.70

(e) Investment details

Government of India Securities Nil Nil Nil Nil  
 High Quality Corporate Bonds Nil Nil Nil Nil  
 Equity shares of listed Companies Nil Nil Nil Nil  
 Property Nil Nil Nil Nil  
 Funds managed by insurer 100% Nil 100% Nil  
 Bank Balance Nil Nil Nil Nil



(f) Principal Actuarial Assumptions

Discount rate 7.70% 7.70% 7.50% 7.50%  
 Expected return on plan assets 7.70% Nil 7.50% Nil  
 Annual increase in Salary costs 7.00% 7.00% 7.00% 7.00%  
 Withdrawal Rates 10% at younger ages reducing to 2% at older ages 10% at younger ages reducing to 2% at older ages 10% at younger ages reducing to 2% at older ages 10% at younger ages reducing to 2% at older ages

Note 32 : Related Party Disclosure

(ii) Transactions during the year with the related parties (excluding reimbursement)

Sr.No. Nature of Transaction Subsidiary companies Key Managerial Personnel Relative of Key managerial Personnel  
 (Excluding Reimbursement) Associates

1 Investment in equity shares

Eurocircuits India Pvt Ltd. Nil  
 (24.00)

PCB Power Inc. USA 355.85  
 (Nil)

2 Loans taken

PCB Power (India) Ltd. Nil  
 (15.00)

PCB Planet (India) Pvt Ltd. 923.00  
 (1,031.00)

3 Loans repaid

PCB Planet (India) Pvt Ltd. 525.48  
 (1,031.00)

4 Front-end engineering charges

PCB Planet (India) Pvt Ltd. 177.70  
 (161.04)

**5 Remuneration**

Shri Paresh N. Vasani 133.33  
(109.67)

Shri Aashay P Vasani 20.08  
(7.61)

Smt Preeti A. Chouksey 6.26  
(5.19)

Smt Amrita B. Chandwani 1.04  
(1.33)

**6 Rent paid**

PCB Power (India) Ltd. 9.00  
(9.00)

**7 Interest paid**

PCB Power (India) Ltd. 2.97  
(2.38)

PCB Planet (India) Pvt Ltd. 15.55  
(20.30)

**8 Purchase of Trading Goods**

PCB Power (India) Ltd. Nil  
(7.52)

**Purchase of Goods**

PCB Power Inc.USA 2.81  
(Nil)

**Purchase of Capital Goods**

Eurocircuit India Private Limited 13.58  
(Nil)

**9 Sale of Goods 1.03**

PCB Power Inc. USA (Nil)

(iii) Balance As 31st March, 2019. 37.95 Cr 397.52 Cr  
(37.95 Cr) (26.61Cr)

(iii) Balance As 31st March, 2019. 1.02 Dr  
(Nil)

