



HINDUSTHAN UDYOG LTD.

Registered Office :
"TRINITY PLAZA" 3rd Floor
84/1A, Topsia Road (South)
Kolkata-700 046, India
Phone : (033) 3021 6800 / 2285 1079 & 81
Fax : (033) 3021 6863
E-mail : hulho@hul.net.in
CIN No. : L27120WB1947PLC015767

Date: 15.10.2018

To
BSE Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street,
Mumbai-400001

RE: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2017-18

Dear Sir,

Enclosed please find herewith the Annual Report of our Company for the Financial Year ended 31st March, 2018 in terms of Regulation 34(1) of SEBI (LODR) Regulations, 2015.

Thanking you.

Yours Faithfully,

FOR HINDUSTHAN UDYOG LIMITED

**[V.N. AGARWAL]
MANAGING DIRECTOR**

ENCLO: AS ABOVE



HINDUSTHAN UDYOG LTD.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 71st Annual General Meeting (AGM) of the Members of the Company will be held on Friday, the 28th day of September, 2018 at 10.00 a.m. at the Registered Office of the Company at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046 to transact the following business:-

ORDINARY BUSINESS:-

- I. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
- II. To appoint a Director in place of Mr. Prakash Agarwal (DIN 00249468), who retires by rotation at this Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:-

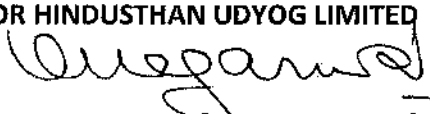
- III. To consider and if thought fit, to pass with or without modification(s), the following resolutions as **SPECIAL RESOLUTION:**

RE-APPOINTMENT OF MR. V. N. AGARWAL AS MANAGING DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of The Companies Act, 2013 (the Act) read with Schedule V of the Act and the Rules made thereunder or any amendment or re-enactment thereof and such other approval as may be necessary, approval be and is hereby accorded to the re-appointment of Mr. V. N. Agarwal (DIN 00408731), aged 78 years, as Managing Director of the Company for a period of three years with effect from 1st January, 2018 on the terms and conditions and payment of remuneration as recommended by the Nomination and Remuneration Committee of Directors and as set out in the Explanatory Statement under this item to the Notice convening this Meeting."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Act, the Board of Directors be and are hereby authorised to alter and vary the terms and conditions of re-appointment including remuneration, if necessary, in such manner and as may be agreed to by and between the Board and Mr. V. N. Agarwal within such prescribed limit(s) or ceiling without any further reference to the members of the Company in General Meeting."

REGISTERED OFFICE:
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA-700046
CIN: L27120WB1947PLC015767
DATE: 30TH MAY, 2018

BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED

[V. N. AGARWAL]
MANAGING DIRECTOR

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the meeting. Members are requested to note that a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
2. The Register of Members and Share Transfer Books will remain closed from 24.09.2018 (Monday) to 28.09.2018 (Friday) (both days Inclusive).
3. Relevant Statement pursuant to Section 102(1) of The Companies Act, 2013 in respect of special business is annexed hereto.
4. The Notice of the Meeting will be available on the website of the National Securities Depository Limited (NSDL) www.evoting.nsdl.com
5. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44(1) of SEBI (LODR) Regulations, 2015, the Company is providing Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by the National Securities Depository Limited (NSDL).
6. The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
7. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
8. The remote e-voting period shall commence on 25th September, 2018 (9:00 am) and end on 27th September, 2018 (5:00 pm). During this period the Members of the Company as on the cut-off date of 21st September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
9. The procedure to login to e-voting website consists of two steps as detailed hereunder:-

Step 1: Log-in to NSDL e-voting system

- a) Visit the e-Voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com>.
- b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

- c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- d) Your User ID details are given below :
- i) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - ii) For Members holding shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - iii) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the Company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
- e) Your password details are given below:
- i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - iii) How to retrieve your 'initial password'?
 - a. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - b. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- f) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- i) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- g) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- h) Now, you will have to click on "Login" button.
- i) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 - b) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 - c) Select "EVEN" of Hindusthan Udyog Limited.
 - d) Now you are ready for e-Voting as the Voting page opens.
 - e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - f) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
 - i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vidhyabaid@gmail.com with a copy marked to evoting@nsdl.co.in.
 - j) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
9. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2018.
10. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in

11. A person, whose name is recorded in the Register of Members as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
12. Ms. Vidhya Baid, Company Secretary in Practice (Membership No. FCS-8882) has been appointed as the Scrutinizer for conducting the entire process of polling (both voting electronically and through Ballot Paper) in a fair and transparent manner.
13. The Chairman of Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
14. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of NSDL immediately after its declaration and shall also be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. III

Mr. V. N. Agarwal was re-appointed as the Managing Director for a period of three years with effect from 01.01.2015 and his term of office was due to expire on 31.12.2017. Keeping in mind the significant contribution to the growth and performance of the Company by Mr. V. N. Agarwal during the said tenure, the Board of Directors at its meeting held on 12.12.2017, approved the re-appointment of Mr. V. N. Agarwal as the Managing Director for a further period of three years with effect from 01.01.2018. The terms of his re-appointment including remuneration as approved by the Nomination and Remuneration Committee and the Board subject to the approval of the Members to be obtained at this Meeting are as follows:-

1. PERIOD

Three years commencing from 01.01.2018.

2. REMUNERATION

Subject to overall limit laid down under the Act, Mr. V.N. Agarwal shall be entitled to receive from the Company following remuneration:-

(a) Salary : ₹ 2,50,000/- per month

(b) Perquisites : In addition to the above, he shall be entitled to Perquisites like Furnished Accommodation, gas, electricity, water and soft furnishings, medical reimbursement and leave travel concession for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund, Gratuity Fund, Car and telephone etc. in accordance with the Rules of the Company. In case, no accommodation is provided, he may be paid House Rent Allowance @ 60% of his basic salary. The aforesaid perquisites other than benefits of Provident Fund, Gratuity Fund and Leave Encashment shall be restricted to the annual salary of Mr. V. N. Agarwal.

Provided that the Total Remuneration payable to him by way of Salary, Perquisites, Contributions towards Provident Fund and Gratuity Fund on his account shall not exceed 5% of the Net Profits of the Company calculated in accordance with the provisions of the Act.

Notwithstanding anything contained hereinabove, where in any financial year during his tenure, the Company has no profits or profits of the Company are inadequate or in the event of loss, the Company will pay remuneration to him by way of Salary, allowances, benefits, Perquisites etc., as specified above as minimum remuneration.

3. **TERMINATION**

This re-appointment may be terminated by any party herein, by giving to the other party, a six months notice in writing.

4. The Managing Director shall not be entitled to any Sitting Fees for attending Board/Committee Meetings and shall not be liable to retire by rotation.
5. The re-appointment of Mr. V. N. Agarwal as Managing Director and remuneration payable to him are in line with Schedule V to the Act subject to the approval of Members to be obtained at this AGM and to the extent any of the provisions herein are inconsistent or contrary to the terms of such approval, the latter will prevail.
6. As required under the Act, the following further particulars pertaining to the Company and the appointee are set out herein:-

I **General Information**

(a) **Nature of Industry**

The Company is engaged in the manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Earth Moving and Mining Equipment, Power Plants, Pumps, Valves, Compressors and other Heavy Engineering Industries.

(b) **Date or expected date of commencement of commercial production**

The Company commenced its business on 3rd September, 1947.

(c) **Financial Performance**

Performance of the Company during the last three years is set out as under:-

	(₹ In Lakhs)		
	2016-17	2015-16	2014-15
Gross Turnover	2,635.88	3,676.58	4,420.49
Profit/(Loss) before Tax	(112.96)	(117.76)	85.12
Provision for Taxes	---	0.26	5.80
Profit/(Loss) after Tax	(112.96)	(118.02)	79.32
Share Capital	1,317.67	1,317.67	1,317.67
Reserves & Surplus	2,072.62	2,185.82	2,304.11
Non Current Liabilities	19.17	31.62	42.07
Current Liabilities	3,228.50	4,095.50	5,108.41
Fixed Assets	1,422.59	1,515.28	1,579.52
Investments	459.99	461.80	461.80
Other Non Current Assets	109.80	130.34	165.74
Current Assets	4,645.58	5,523.19	6,565.20

(d) **Foreign Investments or collaborators, if any**

None

II. Information about the Appointee

(a) **Background Details**

Mr. V. N. Agarwal is a Graduate in Mechanical Engineering from Banaras Hindi University. He has got in depth exposure to and involvement in steering diverse business activities and has considerable experience and expertise in the marketing, management and operations of Engineering Industries.

(b) **Past Remuneration**

The remuneration drawn by Mr. V. N. Agarwal during the Financial Year ended 31st March, 2018 has been mentioned in the Corporate Governance Report.

(c) **Recognition or awards**

None

(d) **Job Profile and his suitability**

Subject to the superintendence, control and direction of the Board, Mr. Agarwal will manage and superintend the business affairs of the Company and do all such lawful acts and things in relation to such management and superintendence as he shall think fit and reasonable.

Mr. Agarwal has been in the Engineering Industry for more than 45 years and is well conversant with the business operations of the Company as he is associated with it since its takeover in the year 1972 and has been its Managing Director for more than 25 years.

(e) **Remuneration proposed**

As mentioned in foregoing pages.

(f) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of origin)**

The remuneration structure of Mr. V. N. Agarwal is not higher than what is drawn by his peers in comparable Companies.

(g) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

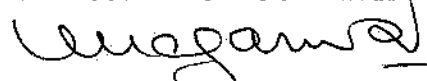
Mr. Agarwal being the Promoter Managing Director will not be entitled to remuneration under any other head. No relative of his is employed by the Company.

III Disclosures

- (a) The remuneration package of Mr. V. N. Agarwal is already set out above.
- (b) The necessary disclosure as required under Paragraph B (IV) of Section II, Part II of Schedule V of the Act has been made in the Report of Corporate Governance.
- (c) The Board considers that having regard to the contribution made by Mr. V.N. Agarwal towards the operations of the Company during his current tenure, his re-appointment as Managing Director for a further period of three years is fully justified. As such, the Board recommends the Special Resolution as set out in Item No. III for approval of the Shareholders.
- (d) Except Mr. V. N. Agarwal, Mr. Prakash Agarwal and Mrs. Ritu Agarwal, no other Director of the Company is concerned or interested in the said resolution.

REGISTERED OFFICE:
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CIN: L27120WB1947PLC015767
DATE: 30TH MAY, 2018

BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED



[V.N. AGARWAL]

MANAGING DIRECTOR

DISCLOSURE OF DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015

Name of the Director	PRAKASH AGARWAL
Date of Birth	14.07.1971
Date of First Appointment	09.12.1998
Qualifications	B.E. (Mechanical) from Manipal Institute of Technology
No. of shares held	5,16,200
Nature of Expertise	Having professional expertise in the Operations of the Engineering Industry and wide experience in Global Marketing and Overall Business Management and Industrial Operations including acquisitions and turnarounds.
Other Directorships in Indian Companies	<ol style="list-style-type: none"> 1. WPIL Limited 2. Bengal Steel Industries Limited 3. Hindusthan Parsons Limited 4. V.N. Enterprises Limited 5. HSM Investments Limited 6. Macneill Electricals Limited 7. Spaans Babcock India Limited 8. Morgan Finvest Private Limited 9. Live-Life Buildcon Private Limited 10. Clyde Pumps India Private Limited
Other Committee Memberships/Chairmanships	<p>In WPIL Limited:</p> <ol style="list-style-type: none"> (a) Risk Management Committee - Chairman (b) Stakeholders Relationship Committee - Member (c) Share Transfer Committee – Member (d) Corporate Social Responsibility Committee – Member

DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

Your Directors have pleasure in presenting their 71st Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2018.

COMPANY PERFORMANCE:

	<u>2017 - 2018</u>	<u>2016 - 2017</u>
<u>FINANCIAL RESULTS</u>	₹ IN LAKHS	₹ IN LAKHS
Total Revenue	3,011.78	2,862.53
EBITDA	374.28	188.48
Less: Finance Costs	146.84	149.22
Depreciation	123.73	129.73
Profit before Tax (PBT)	<u>103.71</u>	<u>(90.47)</u>
Less: Tax Expense	-	-
Profit after Tax (PAT)	<u>103.71</u>	<u>(90.47)</u>

The Total Revenue of the Company increased by 5% from Rs. 2,862.53 Lakhs to Rs. 3,011.78 during the year under review. Further, there was an improvement in the EBITDA Margins of the Company which increased to 14% during the year compared to 7% in its preceding year. Your Company has closed the year with a Profit after tax of Rs. 103.71 Lakhs compared to a Loss of Rs. 90.47 Lakhs in the preceding year.

Your Company is continuously monitoring its operations to keep a check on its operating costs in order to improve and maintain its operating profits.

The Durgapur Unit continued to remain closed during the year.

DIVIDEND

In view of the brought forward unabsorbed accumulated losses, the Directors express their inability to recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is appended below:-

A. BUSINESS

The Company is engaged in the manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Earth Moving and Mining Equipment, Power Plants, Pumps, Valves, Compressors and other Heavy Engineering Industries. The Company has manufacturing units located in Kolkata and Nagpur.

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

The key operational highlights at both the Units have been:-

- Development of Pump Casings in Super Duplex Stainless Steel grade.
- Impellers, Bowl and bell in CD4MCuN Grade developed.
- Development of 9.5 M/T single piece Discharge Bowl in Grey Cast Iron.
- Operation of new VTL Machine.
- Increase in Line molding capacities by modification of existing line.
- Successful development of Creep Steel Castings.
- Development of Duplex Stainless Steel Grade 5A Castings.
- Removal of Low Alloy and plain Carbon Steel Items so as to concentrate on making of only High Alloy Steel Castings (H.A.S.) with good margins.

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Opportunities for these Industries exist (a) in the development and supply of high contribution items and (b) catering to the requirements of export markets.

The risks and areas of concern for your Company are:-

- (i) Demand for Company's products in few critical segments only.
- (ii) Stagnancy in the Market Demand due to General Economic conditions.
- (iii) Heavy Dependence on Few Customers in the Export Market.
- (iv) Currency Fluctuations in adverse direction.
- (v) Fluctuations in raw material prices that can affect orders with no price variation clause.
- (vi) Pressure on Pricing.

D. INTERNAL CONTROL SYSTEM

The Company has internal control procedures commensurate with the nature of its business and size of its operations. The objective of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial reports and due compliance of statutes and Company policies and procedures.

The Internal Audit function is conducted by a Senior Management Team of the Company. The reports of such audit, the progress in implementation of recommendations contained in such reports and the adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

E. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial Relations were cordial during the year under review. At all levels, employees of the Company are fully committed to the growth of the Company and there was no industrial relation related problem during the year.

CORPORATE GOVERNANCE

The principles of good Corporate Governance through professionalism, accountability, transparency, trusteeship and control have always been followed by your Company and it has complied with all the applicable provisions of Corporate Governance as per the Listing Regulations. A separate Report on Corporate Governance forms part of the Annual Report 2017-18 along with the Auditors' Certificate on its compliance in **Annexure B**.

DIRECTORS

Mr. Binaya Kapoor ceased to be a Director of the Company with effect from 13.12.2017 due to his demise. Your Board has expressed its condolences towards his family.

Mr. Prakash Agarwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His Brief Resume is attached to the Notice of the ensuing Annual General Meeting.

NO. OF BOARD MEETINGS HELD

During the year 2017-18, Six (6) Board Meetings were held on 30th May 2017, 14th July 2017, 13th September 2017, 12th December 2017, 5th January 2018 and 13th February 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of The Companies Act, 2013, the Directors state as follows that:-

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the accounts for the financial year ended 31st March, 2018 on a "going concern" basis;

- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such were adequate and operating effectively.

BOARD EVALUATION

The Board evaluated the effectiveness of its functioning and that of the Committees and of Individual Directors by seeking inputs on various aspects of Board/Committee Governance and considered and discussed in details the inputs received from the Directors.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in strategic planning and fulfillment of their obligations including but not limited to their participation in the Board/Committee Meetings.

INDEPENDENT DIRECTORS DECLARATION

The Independent Directors meet the criteria of being Independent (as prescribed in The Companies Act, 2013 and the Listing Regulations) and an Independency Certificate from them have been obtained.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of The Companies Act, 2013, the extract of Annual Return in Form MGT-9 pursuant to Rule 12 of The Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure C**, as part of this Report.

STATUTORY AUDITORS

M/s Salarpuria & Partners, Chartered Accountants (Firm Registration No. 302113E) continue to be the Statutory Auditors of the Company as they were appointed as such at the last AGM of the Company for a term of 5 years commencing from the Financial Year 2017-18.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules there under, the Board of Directors of the Company has appointed Ms. Vidhya Baid, Practicing Company Secretary as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the Financial year 2017-18. The Secretarial Audit Report for the Financial year ended 31.03.2018 is annexed herewith as **Annexure D**, as part of this Report.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company with its Related Parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with Related Parties are disclosed in the Notes to the Financial Statements.

VIGIL MECHANISM

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism of Directors and Employees has been established, details of which are given in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

Information required to be given pursuant to the provisions of section 197(12) of The Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure E**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of The Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the **Annexure A**.

CODE OF CONDUCT

Your Company has formulated a Code of Conduct which applies to Board Members and Senior Management Personnel of the Company. Confirmations towards adherence to the Code during the Financial Year 2017-18 have been obtained from all the Board Members and Senior Management Personnel in terms of the Listing Regulations and a declaration relating to compliance of this code during the year by all Board Members and Senior Management Personnel has been given by the Managing Director of the Company which accompanies this report.

MATERIAL CHANGES AND COMMITMENT

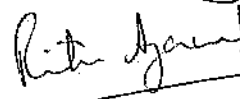
There were no material changes and commitments affecting the financial position of the Company which has occurred between the financial year to which these Financial Statements relate and date of this report.

ACKNOWLEDGEMENTS

Your Directors would like to thank shareholders, customers, suppliers, bankers, employees and all other business associates for the continuous support given by them to the Company and their confidence in its management.

PLACE: KOLKATA
DATE: 30TH MAY, 2018

FOR AND ON BEHALF OF THE BOARD



DIRECTORS

ANNEXURE-A

PARTICULARS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

ENERGY CONSERVATION MEASURES TAKEN:

The Units of the Company endeavor to control and reduce the energy consumption per unit of production. Energy Conservation Measures taken by the Company are:-

- i) Replacement of motors/ pumps/ lighting with energy efficient models.
- ii) Optimization of electrical distribution system.
- iii) Use of mostly Induction Furnaces for melting instead of Electric ARC Furnace.
- iv) Rationalization of Pump Capacities and use of pumps with lower power ratings with the same efficiency.
- v) Use of duplex billets instead of Loose Scrap for manufacturing of Duplex Steel Castings.

TECHNOLOGY ABSORPTION:

Research and Development is carried on for improvement in the quality of the existing products and production process so as to bring them in line with the requirements of Customers or Industry Standards. Expenditure on Research and Development are charged under primary heads of accounts.

The Company has not imported any new technology during the last three years reckoned from the beginning of the Current Financial Year i.e. 1st April, 2017.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned	₹ 325.10 Lakhs
Foreign Exchange used	₹ 3.47 Lakhs

FOR AND ON BEHALF OF THE BOARD



DIRECTORS

PLACE: KOLKATA

DATE: 30TH MAY, 2018

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance:-

1) THE COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance practices stem from culture and mind set of the organization. As stakeholders across the country evidence keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage.

The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. It aims to constantly review its systems and procedures at all levels to achieve the highest level of Corporate Governance in the overall interest of all the Shareholders.

The details of compliances made by the Company for the year ended 31st March, 2018 are as follows:

2) BOARD OF DIRECTORS

- The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that long term interests of the shareholders are being served.
- The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on 31.03.2018 the Company's Board consisted of Four Directors who is eminent Professional with experience and expertise in Business, Industry, Finance and Law.
- The Composition of the Board as on 31.03.2018 are as follows:-

Sl. No.	Category	No. of Directors	% of Total
1.	Executive Director & Promoter - Managing Director	1	25.00
2.	Non-Executive Director & Promoter	2	50.00
3.	Non-Executive & Independent Director	1	25.00
	TOTAL	4	100.00

Details relating to the Composition of the Board as on 31.03.2018 are as follows:-

Sl.	Name of the Board Members	Category	No. of other Directorships In Indian Companies	No. of other Board Committee(s) of which he/she is a Member	No. of other Board Committee(s) of which he/she is a Chairperson
1.	Mr. V. N. Agarwal DIN:00408731	Managing Director & Promoter	9	8	---
2.	Mr. Prakash Agarwal DIN:00249468	Non - Executive & Promoter	10	1	--
3.	Mrs. Ritu Agarwal DIN:00006509	Non - Executive & Promoter (Woman Director)	5	--	--
4.	Mr. Binaya Kapoor DIN:00544162	Non - Executive & Independent	2	1	---
5.	Mr. A. K. Ghosh DIN:01424368	Non - Executive & Independent	5	6	3

- The Committee Memberships/Chairmanships considers Audit Committee and Stakeholders Relationship Committee only.
- Mr. Binaya Kapoor ceased to be a Director of the Company due to his demise on 13.12.2017. The above details pertaining to him are upto 12.12.2017.
- Mr. Prakash Agarwal is the son of Mr. V. N. Agarwal and husband of Mrs. Ritu Agarwal.
- The Non-Executive Directors do not hold any shares in the Company except for Mr. Prakash Agarwal who holds 5,16,200 shares.

3) **BOARD MEETINGS & AGM HELD DURING THE FINANCIAL YEAR 2017 - 18**

- (i) During the Financial Year 2017-18 Six Board Meetings were held on:-
30th May 2017, 14th July 2017, 13th September 2017, 12th December 2017, 5th January 2018 and 13th February 2018.
- (ii) Attendance record of the Directors at the Board Meetings and the last AGM are as follows:-

Name of the Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 26 th September, 17
Mr. V. N. Agarwal	6	Yes
Mr. Prakash Agarwal	6	Yes
Mrs. Ritu Agarwal	5	Yes
Mr. Binaya Kapoor	3	No
Mr. A. K. Ghosh	6	Yes

4) BOARD MEETINGS

- i) The Company's Governance policy requires the Board to meet at least four times in a year with a time gap between any two Board Meetings not exceeding one hundred and twenty days.
- ii) In terms of Company's Corporate Governance Policy, all statutory, significant and material information (including compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances) are placed before the Board to enable it to discharge its responsibility.
- iii) The Internal Guidelines for Board Meetings facilitate the decision making process at the Meeting of the Board in an informed and efficient manner.

5) BOARD AGENDA

Meetings are governed by structured Agenda. The Board Members in consultation with the Chairman may bring up any matter for the consideration of the Board.

6) BOARD PROCEDURE

- (i) The Members of the Board are provided with the requisite information as required by Part A of Schedule II of Regulation 17(7) of SEBI (LODR) Regulations 2015 well before the Board Meetings and the same were dealt with appropriately.
- (ii) All Directors who are in various committees are within the permissible limits in terms of Regulation 26(1) of SEBI (LODR) Regulations, 2015. The Directors from time to time have intimated to the Company their Memberships/ Chairmanships in various Committees in other Companies.

7) POST MEETING FOLLOWUP SYSTEM

The Governance process in the Company includes an effective post-meeting follow up, review and reporting process for action taken/pending on decision of the Board/Board Committees.

8) SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors held a Meeting on 13th September, 2017 without the presence of any Non-Independent Directors and Members of Management wherein they (i) reviewed the performance of Non-Independent Directors and the Board as a whole and (ii) assessed the quality, quantity and timelines of flow of information between the Company Management and Board that was necessary for the Board to effectively and reasonably perform their duties.

9) **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism for the Directors and Employees which enable them to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The mechanism also provides for adequate safeguards against victimization of Directors/Employees who avail the mechanism.

This functioning of this Policy is reviewed by the Audit Committee and it is ensured that no employee is denied access to the Committee.

10) **COMMITTEES OF THE BOARD**

Currently there are three Board Committees - the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed Minutes of Board Committee Meetings are placed at the Board Meetings for the information of the Board.

i) **AUDIT COMMITTEE**

Audit Committee of the Board, inter alia provides re-assurance to the Board on the existence of an effective internal control environment that ensures:-

- (a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Compliance with Listing and legal requirements concerning financial statements.
- (c) Recommending to the Board the appointment/re-appointment of Statutory Auditors, fixation of their Audit Fees and approving payments made for any other services rendered by them.
- (d) Reviewing with the Management the Quarterly and the Annual Financial Statements before submission to the Board for approval.
- (e) Reviewing with the management the performance of the Statutory Auditors and the adequacy of internal control function.
- (f) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.

- (g) Reviewing the Internal Audit function and the progress in the implementation of recommendations contained in the Internal Audit Report.
- (h) Efficiency and effectiveness of operations.
- (i) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (j) Reliability of financial and other management information and adequacy of disclosures
- (k) Compliance with all relevant statutes.
- (l) Approval of Company's Related Parties Transactions.
- (m) Reviewing the functioning of Whistle Blower mechanism.

The composition of the Audit Committee as on 31.03.2018 is as follows:-

Name of the Director	Chairman/ Member	Category
Mr. A. K. Ghosh	Chairman	Non Executive & Independent
Mr. Binaya Kapoor *	Member	Non Executive & Independent
Mr. Prakash Agarwal	Member	Non Executive & Promoter

* Mr. Binaya Kapoor ceased to be a Member of the Committee consequent to his demise and cessation of directorship on 13.12.2017.

During the Financial Year 2017-18 Four Audit Committee Meetings were held and the Attendance of the Members at the said Meetings is given below:-

Name of the Director	No. of meetings attended
Mr. A. K. Ghosh	4
Mr. Prakash Agarwal	4
Mr. Binaya Kapoor	2

ii) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees redressal of Shareholders/ Investors grievances relating to transfer of shares, non-receipt of Annual Report etc.

The said Committee consists of Mr. A. K. Ghosh and Mr. Prakash Agarwal of which Mr. A. K. Ghosh is the Chairman.

During the year ended 31st March 2018, no complaints/queries were received and no complaint/query was pending to be resolved as on 31st March, 2018. There were no transfer of shares pending for registration as on 31st March 2018 and all

transfers, if any, had been effected within a period of 15 days from the date of their lodgment.

iii) **NOMINATION AND REMUNERATION COMMITTEE**

The terms of reference of Nomination and Remuneration Committee involves:-

- (a) Formulation of criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board a policy relating to the remuneration of the Directors and Key Managerial Personnel.
- (b) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- (c) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors.

The Composition of the Nomination and Remuneration Committee during the year ended 31.03.2018 was as follows:-

Name of Director	Chairman/Member
Mr. A. K. Ghosh	Chairman
Mr. Binaya Kapoor *	Member
Mr. Prakash Agarwal	Member

* Mr. Binaya Kapoor ceased to be a Member of the Committee consequent to his demise and cessation of directorship on 13.12.2017.

The remuneration of Managing Director is determined by the Board in terms of The Companies Act, 2013 subject to the approval of Shareholders and recommendations of the Nomination and Remuneration Committee.

During the Financial Year 2017-18 one Nomination and Remuneration Committee Meeting was held on 12th December, 2017.

The Criteria for performance evaluation of Independent Directors is given below:-

- (a) Updated on skills, knowledge, familiarity with the Company, its business and the external environment in which it operates.
- (b) Participates in development of strategies.
- (c) Committed to the fulfillment of Directors obligations and fiduciary responsibilities.

- (d) Quality of analysis and judgment related to progress, opportunities and need for changes.
- (e) Contributes adequately to address the top management issues.
- (f) Considers adequately before approving any Related Party Transactions.
- (g) Acts within authority and assists in protecting the legitimate interests of Company, Shareholders and its employees.
- (h) Ensures that vigil mechanism has been properly implemented and monitored.
- (i) Reports concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.
- (j) Does not disclose confidential information, commercial secrets, technologies, unpublished price sensitive information unless such disclosure is approved by the Board or required by law.

Details of Remuneration paid to Mr. V. N. Agarwal as Managing Director during 2017-18 are as follows:-

Salary	Perquisites	Total
Rs. 16,50,000/-	-----	Rs. 16,50,000/-

Apart from Sitting Fees, no other remuneration is paid/payable to the Non-Executive Directors. Sitting fees paid to the Non-Executive Directors for the financial year ended 31st March 2018 were as follows:-

Name of the Director	Sitting Fees paid
Mr. Prakash Agarwal	Rs. 6,000/-
Mrs. Ritu Agarwal	Rs. 5,000/-
Mr. Binaya Kapoor	Rs. 3,000/-
Mr. A. K. Ghosh	Rs. 6,000/-

11) GENERAL MEETINGS

- i) Details of Annual General Meeting (AGM) held in the last three years are as under:-

Financial Year	Location	Date	Time
2016 – 2017	Registered Office at : Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	26 th September, 2017	10 a.m.
2015 – 2016		29 th September, 2016	10 a.m.
2014 – 2015		29 th September, 2015	10 a.m.

- ii) Whether any Special Resolutions were : Yes.
passed in the previous Three AGMs

At AGM held on 26.09.2017

a) Postponement of the date of redemption of 10% Cumulative Redeemable Preference Shares of ₹ 10/- each.

b) Making of Loans, Investments and Guarantees in terms of Section 186 of The Companies Act, 2013

At AGM held on 29.09.2015

Re-appointment of Mr. V. N. Agarwal as a Managing Director for a period of 3 Years commencing from 01.01.2015

- iii) Whether Special Resolutions were put : Yes (For Sale of Undertaking of
through Postal Ballot last year the Company at Nagpur on 'Slump Sale' basis)
- iv) Are Special Resolutions proposed to be put : No
through Postal Ballot this year
- v) Procedure to be followed for Postal Ballot : In accordance with the
(if applicable) applicable provisions of the Companies Act, 2013 read with the Rules made thereunder.

12) DISCLOSURES

- i) There are no materially significant transactions with the Related Parties that may have potential conflict with the interests of the Company at large, except as disclosed in the Notes to the Financial Statements.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.
- iii) Your Company has a well laid out Code of Conduct and Business Ethics for the Board of Directors and Senior Management Personnel. It is one of the best means for increasing the transparency in the working of the Companies. The Board Members and the Senior Management Personnel of the Company adhere to this principle and compliance with the same is affirmed by each of them annually.

- iv) The Company is in compliance with the requirements of the Corporate Governance, which reflects in this Report.

13) MEANS OF COMMUNICATIONS

- (i) **Quarterly Results**: - Quarterly Results were announced within a period of 45 days from the end of the relevant Quarter (except for the last quarter) and were published in The Financial Express (English) and Ekdin (Bengali) Newspapers. In place of the results for the last quarter, the Company opted to submit the Audited Financial results for the entire financial year.
- (ii) **Annual Reports**: - Annual Reports containing, interalia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto.
- (iii) **Website**: - The Quarterly Results are not displayed on the Website of the Company.
- (iv) **Official News Releases**: - Official News Releases, if any, are not displayed on the Website of the Company.
- (v) **Displays, Presentations etc**: - Displays, presentations etc are not made to Institutional Investors/Analysts and hence not displayed on the Company's Website.

14) GENERAL SHAREHOLDERS' INFORMATION

(i) **Company Registration Details**

The Company is registered in the State of West Bengal. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is **L27120WB1947PLC015767**.

(ii) **Annual General Meeting to be held – Day, Date, Time and Venue:**

Sl. No.	Particulars	Remark
A.	Day	Friday
B.	Date	28 th day of September, 2018
C.	Time	10.00 a.m.
D.	Venue	Registered Office at: Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.

(iii) **Financial Calendar for the Year 2018 - 19**

Sl.	Particulars	Remarks
A.	1 st Quarter ending 30 th June, 2018	Before 14 th August, 2018
B.	2 nd Quarter and Half-year ending 30 th September, 2018	Before 14 th November, 2018

C.	3 rd Quarter ending 31 st December, 2018	Before 14 th February, 2019
D.	4 th Quarter and Annual Results for the year ending 31 st March, 2019	Before 30 th May, 2019

- (iv) **Dates of Book Closure:** 24th day of September to 28th day of September
(Both days inclusive for the purpose of AGM)
- (v) **Dividend payment date:** Not applicable since no dividend has been recommended for the year ended 31st March, 2018.
- (vi) **Name of the Stock Exchanges at which Equity Shares are listed and Scrip Code assigned to the Company's shares at the respective Stock Exchanges:**

The Equity Shares of the Company are listed on the following Stock Exchanges:-

1. The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, 25th Floor,
Dalal Street, Mumbai – 400001
Scrip Code: 513039
2. The Calcutta Stock Exchange Limited (CSE)
7, Lyons Range, Kolkata – 700001
Scrip Code: 18142

The listing fees for the Financial Year 2018-19 are being paid to both the Stock Exchanges.

(vii) **Market Price Data:**

There was no trading of the shares of the Company at the BSE and CSE during the year ended 31st March, 2018.

(viii) **Registrars and Share Transfer Agents:**

M/s Link Intime India Private Limited are the Registrar and Share Transfer Agents (RTA) of the Company.

Shareholders may address all their correspondences/queries relating to Dematerialization of Shares, transfer/transmission of physical securities, change of address, non-receipt of dividend or any other query relating to the Shares of the Company to them at the below mentioned Address:-

LINK INTIME INDIA PRIVATE LIMITED
Fort Burlow, 59C, Chowringhee Road, 3rd Floor
Room No. 5, Kolkata – 700020.
Tel : 033 2289 0540
Fax No: 033 2289 0539
E-mail ID : kolkata@linkintime.co.in

(ix) Share Transfer System:

All work relating to transfer of Physical Shares are processed by the Company's RTA at their above mentioned Address.

The same are registered and returned within a period of 15 days from the date of receipt if the documents are clear in all respects.

In terms of the Listing Regulations the Company obtains half yearly Certificates from a Company Secretary in practice for due compliance of share transfer formalities.

(x) Dematerialization of Equity Shares:-

The Equity Shares of the Company are admitted with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for enabling the Investors to hold and trade in the shares of the Company in dematerialized form.

The ISIN Number as activated by both CDSL and NSDL in respect of our Equity Shares is INE582K01018.

As on 31st March, 2018, 10,07,969 Equity Shares representing 14.04% of the Company's Total Equity Shares were held in dematerialized form.

(xi) Distribution Schedule:

The Distribution Pattern of the Equity Shares of the Company as on 31st March, 2018 is given below:-

Sl. No.	No. of Equity Shares held	No. of Holders	% of total holders	No. of Shares	% of Shareholding
1.	1 - 5000	11	21.15	5,313	0.07
2.	5001 - 10000	2	3.84	19,052	0.27
3.	10001 - 50000	25	48.08	6,69,593	9.33
4.	50001 - 100000	2	3.84	1,15,267	1.61
5.	100001 - 500000	5	9.62	11,76,225	16.39
6.	500001 - above	7	13.47	51,91,275	72.33
	Total	52	100.00	71,76,725	100.00

(xii) Shareholding Pattern as on 31st March, 2018:-

	Category	No. of Equity Shares held	Percentage of holding
A.	Promoters' holding :		
	1. Indian Promoters	53,79,910	74.96
	Sub-Total	53,79,910	74.96

B.	Non-Promoters' holding :		
	1. Institutional Investors	----	----
	2. Others :		
	-- Corporate Bodies	1,73,117	2.41
	-- Indian Public	16,23,698	22.63
	Sub-Total	17,96,815	25.04
	GRAND TOTAL	71,76,725	100.00

(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and like impact on Equity:

NOT APPLICABLE [The Company has not issued any GDRs/ADRs/ Warrants or any other Convertible Instruments]

(xiv) Commodity price risk or foreign exchange risk and hedging activities

NOT APPLICABLE [The Company has got no significant exposure in respect of commodity price risk or foreign exchange risk and has not undertaken any hedging activity]

(xv) Plant Locations:

- (a) 19, Dakshindari Road, Kolkata – 700048.
- (b) Biren Roy Road (West) Ganipur, Mahestala, 24 Parganas (S) - 700141
- (c) A-1/2, Butibori Industrial Area, Ruikhairi, MIDC-Butibori, Dist Nagpur - 441122

(xvi) Address for correspondence:



Shareholders should address their correspondence to the Company's RTA at their above mentioned Address or to the Secretarial Department of the Company at the following address:-

HINDUSTHAN UDYOG LIMITED

Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata – 700046
Tel : 033 4055 6800/6808
Fax No: 033 4055 6863
E-mail ID : kkg@hul.net.in

The above report has been placed before the Board at its Meeting held on 30th May, 2018 and the same was approved.

FOR AND ON BEHALF OF THE BOARD

DIRECTORS

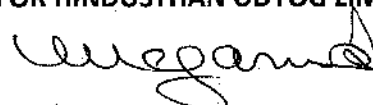
PLACE: KOLKATA
DATE: 30TH MAY, 2018

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the Board Members and the Senior Management Personnel affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management Personnel in respect of the Financial Year 2017-2018.

PLACE: KOLKATA
DATE: 30TH MAY, 2018

FOR HINDUSTHAN UDYOG LIMITED



[V. N. AGARWAL]
MANAGING DIRECTOR



SALARPURIA & PARTNERS

Chartered Accountants

Tel. Address : "Checkchart (C)"
Cal. Office : 2237 5400/5401
: 2236 0560/4562
Fax : (91) (033) 2225 0992
E-mail : salarpuria.jajodia@rediffmail.com

7, CHITTARANJAN AVENUE, KOLKATA -700 072
BRANCH : 4th FLOOR, "SALARPURIA WINDSOR" 3 ULSOOR ROAD, BANGALORE - 560042
ALSO AT : 1008, CHIRANJIVI TOWER, 43, NEHRU PLACE, NEW DELHI -110019, TELEFAX : 2623 3894

AUDITOR'S CERTIFICATE FOR CORPORATE GOVERNANCE

To the Members of Hindusthan Udyog Limited

We have examined the compliance of conditions of Corporate Governance by Hindusthan Udyog Limited for the year ended March 31, 2018, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and para C & D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Salarpuria & Partners
Chartered Accountants
Firm ICAI Registration No. 302113E
Nihar Ranjan Nayak

N.R. Nayak
Chartered Accountant
Membership No. -57076
Partner
Nihar Ranjan Nayak
PARTNER
Membership No. 057076

Place: Kolkata.
Date: 30th May, 2018



FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2018

[Pursuant to Section 92(3) of The Companies Act, 2013 and Rule 12(1) of The Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L27120WB1947PLC015767
2.	Registration Date	3 rd September 1947
3.	Company Name	Hindusthan Udyog Limited
4.	Category/Subcategory of Company	Indian Company limited by Shares
5.	Address of Registered Office & Contact details	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046 Ph: 033 4055 6800
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of RTA	Link Intime India Private Limited Fort Burlow, 59C Chowringhee Road, 3 rd Floor, Kolkata – 700020 Tel : 033 2289 0540 Fax No: 033 2289 0539 E-mail ID : kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name & description of main products	NIC code of Product	% to Total Turnover of Company
1.	Alloy Steel Castings	73259920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Company Name & Address	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	WPIL Limited Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (S), Kolkata – 700046	L36900WB1952 PLC020274	Associate Company	39.54%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise shareholding

Category of Shareholders	No. of shares held at 01.04.2017				No. of shares held at 31.03.2018				% Change
	Physical	Demat	Total	% of Total	Physical	Demat	Total	% of Total	
A. Indian Promoters									
- Individuals	7,08,235	---	7,08,235	9.87	7,08,235	---	7,08,235	9.87	---
- Bodies Corporate	40,34,456	6,37,219	46,71,675	65.09	40,34,456	6,37,219	46,71,675	65.09	---
Sub Total (A)	47,42,691	6,37,219	53,79,910	74.96	47,42,691	6,37,219	53,79,910	74.96	---
B. Public Non Institutions									
- Indian Bodies Corporate	1,17,850	55,267	1,73,117	2.41	1,17,850	55,267	1,73,117	2.41	---
- Indian Individuals									
(a) holding nominal capital upto Rs. 1 Lakh	23,882	483	24,365	0.35	23,882	483	24,365	0.35	---
(b) holding nominal capital in excess of Rs. 1 Lakh	12,84,333	3,15,000	15,99,333	22.28	12,84,333	3,15,000	15,99,333	22.28	---
Sub Total (B)	14,26,065	3,70,750	17,96,815	25.04	14,26,065	3,70,750	17,96,815	25.04	---
C. Shares held by Custodians for GDRs & ADRs	---	---	---	---	---	---	---	---	---
GRAND TOTAL (A + B + C)	61,68,756	10,07,969	71,76,725	100.00	61,68,756	10,07,969	71,76,725	100.00	---

(ii) Shareholding of Promoters

Sl. No	Shareholder name	Shareholding at beginning of the year			Shareholding at end of the year			% Change
		Nos.	% of total	% shares pledged to total	Nos.	% of total	% shares pledged to total	
1	V. N. Enterprises Ltd.	16,59,625	23.13	---	16,59,625	23.13	---	---
2	Bengal Steel Industries Ltd	5,98,600	8.34	---	5,98,600	8.34	---	---

3	Tea Time Limited	5,94,600	8.29	---	5,94,600	8.29	---
4	Neptune Exports Limited	5,90,400	8.23	---	5,90,400	8.23	---
5	Orient International Ltd	5,46,850	7.62	---	5,46,850	7.62	---
6	Prakash Agarwal	5,16,200	7.19	---	5,16,200	7.19	---
7	Asutosh Enterprises Ltd.	4,57,500	6.37	---	4,57,500	6.37	---
8	Premilata Agarwal	1,79,625	2.50	---	1,79,625	2.50	---
9	HSM Investments Limited	1,15,600	1.61	---	1,15,600	1.61	---
10	HSM International Pvt Ltd	1,08,500	1.51	---	1,08,500	1.51	---
11	Vishwanath Agarwal	12,410	0.17	---	12,410	0.17	---
	TOTAL	53,79,910	74.96	---	53,79,910	74.96	---

(iii) Change in Promoters Shareholding

There has been no change in the Promoters Shareholding during the year ended 31st March, 2018.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl.	Name of each Top Ten Shareholders	Shareholding at 01.04.2017		Cumulative shareholding during the year		Change in holdings	Date-wise change and reasons
		Nos.	% of total	Nos.	% of total		
1.	Poonam Jhaver	10,00,000	13.93	10,00,000	13.93	---	---
2.	Santosh Devi Gangawat	60,000	0.84	60,000	0.84	---	---
3.	Bishnauth Investments Limited	55,267	0.77	55,267	0.77	---	---
4.	Ichamati Investments Limited	49,700	0.69	49,700	0.69	---	---
5.	United Machine Co. Ltd.	47,200	0.66	47,200	0.66	---	---
6.	Sunil Kumar Surolia	40,000	0.56	40,000	0.56	---	---
7.	Anil Kumar Surolia	40,000	0.56	40,000	0.56	---	---
8.	Manju Devi Surolia	40,000	0.56	40,000	0.56	---	---
9.	Anita Sharma	40,000	0.56	40,000	0.56	---	---
10.	Santosh Kumar Rungta	34,400	0.47	34,400	0.47	---	---
	TOTAL	14,06,567	19.60	14,06,567	19.60	---	---

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.	Name of each Director and Key Managerial Personnel	Shareholding at 01.04.2017		Cumulative Shareholding during the year		Change in holdings	Date-wise change and reasons
		Nos.	% of total	Nos.	% of total		
KEY MANAGERIAL PERSONNEL							
1	Mr. V. N. Agarwal (Managing Director)	12,410	0.17	12,410	0.17	---	---
OTHER DIRECTORS							
1	Mr. Prakash Agarwal	5,16,200	7.19	5,16,200	7.19	---	---
2	Mrs. Ritu Agarwal	---	---	---	---	---	---
3	Mr. Binaya Kapoor	---	---	---	---	---	---
4	Mr. A. K. Ghosh	---	---	---	---	---	---

V. INDEBTEDNESS

Indebtedness of the Company including Interest outstanding/accrued but not due for payment

	(Rs. In lakhs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
At beginning of the year:-				
i) Principal	217.83	1,350.00	---	1,567.83
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i + ii + iii)	217.83	1,350.00	---	1,567.83
Changes during the year (Reduction)	(137.26)	---	---	(137.26)
At end of the year:				
i) Principal	0.00	1,350	---	0.00
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i + ii + iii)	80.57	1,350	---	1,430.57

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl	Particulars of Remuneration	Managing Director Total (Rs.)
1	Gross Salary	
(a)	Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	16,50,000
(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	---
(c)	Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	---
2	Stock Option	---
3	Sweat Equity	---
4	Commission	---
5	Others	---
	TOTAL (A)	16,50,000

B. Remuneration to other Directors:

Particulars of Remuneration	Directors' name				Total (Rs.)
	Prakash Agarwal	Ritu Agarwal	Binaya Kapoor	A. K. Ghosh	
Independent Directors					
- Fees for attending Board Meetings	---	---	3,000	6,000	9,000
- Commission	---	---	---	---	---
- Others	---	---	---	---	---
Total (1)	---	---	3,000	6,000	9,000
Other Non Executive Directors					
- Fees for attending Board Meetings	6,000	5,000	---	---	11,000
- Commission	---	---	---	---	---
- Others	---	---	---	---	---
Total (2)	6,000	5,000	---	---	11,000
Total (1+2)	6,000	5,000	3,000	6,000	20,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Not Applicable as there was no KMP (CEO/CFO/CS) appointed in the Company during the Financial Year 2017-18.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD




DIRECTORS

PLACE: KOLKATA
DATE: 30TH MAY, 2018

SECRETARIAL AUDIT REPORT

FORM No. MR-3

(For the financial year ended 31st March, 2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members

HINDUSTHAN UDYOG LTD

"Trinity Plaza", 3rd Floor, 84/1A, Topsia Road (South),
Kolkata 700046

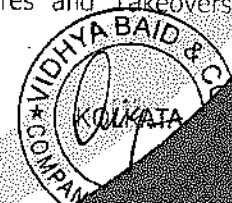
We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindusthan Udyog Ltd** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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Tel : 033-4066 0171 (M) +91 9830705261, +91 9007450898
E-mail : vidhyabaid@gmail.com, vidhyabaid@yahoo.com



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - * d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - * e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - * g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - * h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- * These Clauses were not applicable during the year under review.

VI. As certified by the management, there were no other laws specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:-

(I) Secretarial Standards issued by The Institute of Company Secretaries of India

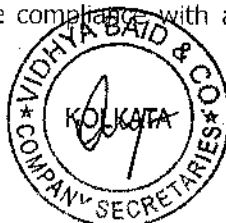
(II) Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and Calcutta Stock Exchange as well as Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. *The shares of the Company has been suspended with Calcutta Stock Exchange but the Company has already initiated the process to get the same revoked.*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that

- a). The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. *The Company is yet to appoint a Company Secretary in terms of the provisions of Section 204 of the Companies Act, 2013.*
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) As per the minutes of the meetings of the Board duly recorded and signed by the Chairman, the majority decision of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



We further report that during the audit period, the Company has the following specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company passed special resolution on 23rd August, 2018 by way of Postal Ballot under Section 180(1)(a) of the Companies Act, 2013 for sale of the undertaking of the Company's Unit situated at Nagpur on Slump Sale Basis to WPIL Limited.
2. The Company passed special resolution at its annual general meeting held on 26th September 2017 for postponement of date of redemption of 60,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 600 lakhs issued to V. N. Enterprise Limited from 9th March 2017 to 9th January 2019.
3. The Company passed special resolution at its annual general meeting held on 26th September 2017 for making of loans, investments and guarantees in terms of Section 186 of the Companies Act, 2013 upto an aggregate limit of Rs. 100 crores.

Place: Kolkata
Date: 30th May, 2018



For VIDHYA BAID & CO.
Company Secretaries

Vidhya Baid
VIDHYA BAID
(Proprietor)
FCS No. 8882
CP No. 8686

The Members

HINDUSTHAN UDYOG LTD

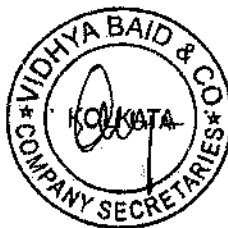
"Trinity Plaza", 3rd Floor, 84/1A, Topsia Road (South),
Kolkata 700046

Our report of odd date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 30th May, 2018

For VIDHYA BAID & CO.
Company Secretaries



Vidhya Baid
VIDHYA BAID
(Proprietor)
FCS No. 8882
CP No. 8686

PARTICULARS OF EMPLOYEE AND RELATED DISCLOSURES

- (a) Ratio of remuneration of each Director to the median remuneration of Company's employees of the Company for the financial year.

SL.	DIRECTOR NAME	DESIGNATION	RATIO TO MEDIAN REMUNERATION
1	Mr. V. N. Agarwal	Managing Director	3.51

The Remaining Directors of the Company only received Sitting Fees for attending the Board Meetings and accordingly their remuneration and ratio of same to median remuneration are very low, hence not reported separately.

- (b) Percentage increase in remuneration of each Director and CEO, during the Financial Year

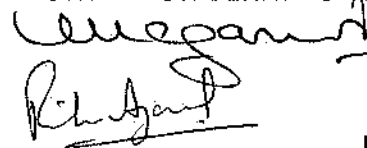
Sl.	Name	Designation	Remuneration paid FY 2017-18 (Rs. In Lakhs)	Remuneration paid FY 2016-17 (Rs. In Lakhs)	Increase in remuneration (Rs. In Lakhs)
1	Mr. V. N. Agarwal	Managing Director	16.50	12.00	4.50

There was no increase in the remuneration of the Other Directors of the Company as they are not paid any remuneration except for Sitting Fees for attending the Board Meetings.

- (c) The percentage increase in the median remuneration of employee during the Financial Year was around 5%
- (d) The number of Permanent employees on the rolls of the Company is 124.
- (e) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and whether there are any exceptional circumstances for increase in managerial remuneration.

The average annual increase in the salaries of employees during the year was 5% and the same was on account of yearly increments. However, the increase in managerial remuneration is not done annually and is taken up at the time of reappointment which is generally once in three years. There were no exceptional circumstances for increase in managerial remuneration.

FOR AND ON BEHALF OF THE BOARD



DIRECTORS

PLACE: KOLKATA
DATE: 30TH MAY, 2018



Salarpuria & Partners

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of **HINDUSTHAN UDYOG LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Standalone 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, financial performance including Other Comprehensive Income, cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) 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 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

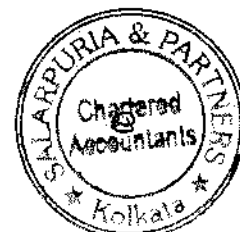
Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone 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 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.





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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

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 including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its **PROFIT** (financial performance including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 30th May, 2017 expressed an unmodified opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Financial Statements:

- (a) Note No. 2 to the Financial Statements which describes that no provision for amortization has been made for long term Leasehold Land at Durgapur.
- (b) The company filed a lawsuit against Mahanadi Coalfields Ltd. For recovery of Rs. 91.93 lacs at Cuttack High court for which no provision has been made in the accounts.

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 the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 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;
 - (c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;





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- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the 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;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations as at March 31, 2018, which would impact its financial position in its Standalone Ind AS Financial Statements.
 - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For Salarpuria & Partners

Chartered Accountants

Firm ICAI Reg. No. 302113E

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant

Membership No.-57076

Partner

Place: Kolkata

Date: 30/05/2018





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date to the members)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Fixed Asset, according to the practice of the Company, are been physically verified by the management at reasonable intervals, in as phased verification programme, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the Fixed Assets has been physically verified by the management during the year and no material discrepancies between the books records and the physical Fixed Asset has been noticed.

(c) The title deeds of Immovable Properties are held in the name of the Company.
- ii. The Management has conducted the physical verification of inventory at reasonable interval and in respect of stocks with third parties at the year end, written confirmations have been obtained and no material discrepancies have been noticed on physical verification of Inventory as compared to the book records.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, limited liability partnerships, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence comment on paragraph (iii) of the said Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us by the management, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, where applicable, with respect to the loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, there are no such deposits taken by the Company, for which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015, with regard to deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the company. Hence, a comment on paragraph (vi) of the said Order is not applicable.
- vii. (a) According to the information and explanations given to us, the Company is generally not regular in depositing undisputed Statutory Dues like Provident Fund, Employees' State Insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities and there are no outstanding statutory dues as at 31.03.2018 for the period of more than six months from the date they became payable.





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Branches at New Delhi & Bangalore

- (d) According to information and explanation given to us by the management, there were no statutory dues payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute.

SL.NO.	NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (Rs)	PERIOD TO WHICH THE MOUNT RELATES	FORUM IN WHICH DISPUTE IS PENDING
1.	West Bengal Sales Tax Act, 1994	Assessed Dues	414,263	2004-2005	WBCT(A/R) Board
2.	Central Sales Tax Act, 1956	Assessed Dues	181,067	2004-2005	WBCT(A/R) Board
3.	Central Sales Tax Act, 1956	Assessed Dues	1,634,285	1998-1999	Registrar Maharashtra Sales Tax Tribunal, Mumbai
4.	Central Sales Tax Act, 1956	Assessed Dues	5,926,481	1999-2000	Deputy commissioner of Sales Tax(Appeal), Nagpur
5.	Bombay Sales Tax Act, 1959	Assessed Dues	1,044,631	2000-2001	Deputy commissioner of Sales Tax(Appeal), Nagpur
6.	Central Sales Tax Act, 1956	Assessed Dues	1,389,004	2000-2001	Deputy commissioner of Sales Tax(Appeal), Nagpur
7.	Central Sales Tax Act, 1956	Assessed Dues	1,202,194	2001-2002	Registrar Maharashtra Sales Tax Tribunal, Mumbai
8.	Bombay Sales Tax Act, 1959	Assessed Dues	949,067	2002-2003	Deputy commissioner of Sales Tax(Appeal), Nagpur
9.	Central Sales Tax Act, 1956	Assessed Dues	390,538	2002-2003	Deputy commissioner of Sales Tax(Appeal), Nagpur
TOTAL			13,131,530		

- viii. According to the information and explanations given to us and on basis of examination of records of the company, the company has not defaulted in repayment of loans or borrowings to financial institutions, banks. The Company has not taken any loan from government and has not issued debentures.





Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072

Phone : 2237 5400 / 5401, 4014 5400 - 5410

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Branches at New Delhi & Bangalore

- ix. According to the audit procedures performed and information and explanation given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Hence, comment on paragraph (ix) of the said Order is not applicable.
- x. According to the information and explanations given to us by the management, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit. Hence, comment on paragraph (x) of the said Order is not applicable.
- xi. According to the information and explanations given to us and on the basis of examination of records of the company, the company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our Opinion, the company is not a Nidhi Company. Hence, paragraph (xii) of the said Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. So, a comment on paragraph (xiv) of the said order is not applicable.
- xv. The company has not entered into any non-cash transactions with the directors or persons connected with him. Hence, a comment on paragraph (xv) of the said Order is not applicable.
- xvi. The Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934.

For Salarpuria & Partners

Chartered Accountants

Firm ICAI Reg. No. 302113E

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant
Membership No.-57076
Partner

Place: Kolkata

Date: 30/05/2018





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

(Referred to Paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our Report of even date).

We have audited the internal financial controls over financial reporting of **HINDUSTHAN UDYOG LIMITED** ("the Company") 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.

Auditors' 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 Ind AS 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.





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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.

For Salarpuria & Partners

Chartered Accountant

Firm ICAI Reg. No. 302113E

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant
Membership No. 57076
Partner

Place: Kolkata

Date: 30/05/2018



HINDUSTHAN UDYOG LTD
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2018
CIN No.: L27120WB1947PLC015767

(₹ In Lakhs)

ASSETS	Notes	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(1) NON CURRENT ASSETS				
(a) Property, Plant and Equipment	2	1,340.68	1,422.59	1,515.28
(b) Capital Work in Progress		0.87	-	-
(c) Financial Assets				
(i) Investments	3(a)	994.55	1,003.61	1,120.84
(ii) Others	3(c)	34.36	34.16	33.68
(d) Deferred Tax Assets (Net)	4	-	-	-
(e) Other Non- Current Assets	5	91.30	114.60	132.53
Total (a)		2,461.76	2,574.97	2,802.32
(2) CURRENT ASSETS				
(a) Inventories	6	1,306.15	1,377.97	1,460.73
(b) Financial Assets				
(i) Investments	9(a)	-	-	-
(ii) Trade Receivables	3(b)	859.21	1,426.28	1,912.69
(iii) Cash & Cash Equivalents	7(a)	52.72	100.48	108.19
(iv) Others	7(b)	0.14	0.14	0.14
(c) Current Tax Asset (Net)	8	110.54	60.33	34.27
(d) Other Current Assets	9	5,093.43	1,620.12	1,947.40
Total (b)		7,422.19	4,585.32	5,463.43
Total Assets		9,883.94	7,160.29	8,265.75

(₹ In Lakhs)

EQUITY AND LIABILITIES	Notes	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(1) EQUITY				
(a) Share Capital	10(A)	717.67	717.67	717.67
(b) Other Equity	10(B)	2,637.20	2,522.51	2,724.51
Total Equity		3,354.87	3,240.18	3,442.18
(2) LIABILITIES				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	11(a)	591.84	533.93	499.51
(iii) Other Financial Liabilities	11(c)	-	35.69	81.72
(b) Provisions	12	177.05	209.41	238.29
(c) Deferred Tax Liabilities (Net)	4	109.43	108.72	131.81
		878.32	887.75	951.33
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13(a)	1,399.82	1,548.66	1,488.32
(ii) Trade Payables	11(b)	523.83	559.52	773.59
(iii) Other Financial Liabilities	13(b)	82.42	89.36	79.87
(b) Other Current Liabilities	14	3,629.01	710.69	1,403.52
(c) Provisions	15	15.67	124.14	126.93
		5,650.76	3,032.36	3,872.23
Total Liabilities		6,529.07	3,920.11	4,823.56
Total Equity and Liabilities		9,883.94	7,160.29	8,265.75

Significant Accounting Policies & Other Notes

1 & 24

The accompanying notes are an integral part of the Financial Statements
As per our report of even date

For SALARPURIA & PARTNERS
Chartered Accountants
Firm [CAI Reg. No.302113E

Nihar Ranjan Nayak

N.R. Nayak
Chartered Accountant
Place: Kolkata
Date: 30.03.2018 No. 57076
Partner



Ulaganathan
R. Jayaram

HINDUSTHAN UDYOG LTD

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2018

CIN No.: L27120WB1947PLC015767

(₹ In Lakhs)

Particulars	Notes	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
I. Revenue from Operations	16	2,634.69	2,611.64
II. Other Income	17	377.10	250.89
III. Total Revenue (I +II)		3,011.78	2,862.53
IV. Expenses:			
Cost of Materials Consumed	18	1,028.43	1,094.64
Excise Duty & GST		339.22	180.62
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	19	33.92	59.42
Employee Benefit Expenses	20	581.89	713.57
Finance Costs	21	146.84	149.22
Depreciation and Amortization Expense	22	123.73	129.73
Other Expenses	23	654.04	625.81
IV. Total Expenses		2,908.07	2,953.01
V. Profit/(Loss) before Tax & Exceptional items and Tax (III - IV)		103.71	(90.47)
VI. Exceptional Item		-	-
VII. Profit/(Loss) before Tax (V -VI)		103.71	(90.47)
VIII. Tax Expense:			
1 Current Tax			
2 Tax for earlier years (Net)			
3 Deferred Tax			
Net Current Tax (VIII)		-	-
IX. Profit/(Loss) for the Period (VII- VIII)		103.71	(90.47)
X. Other Comprehensive Income for the period			
(A) (i) Item that will not be reclassified to Profit or Loss			
→Changes in Fair Valuation of Equity Instrument		6.01	(115.42)
→Remeasurement of Defined benefit Plans		5.67	(19.20)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(0.70)	23.08
(B) (i) Items that will be reclassified to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
XI. Total Comprehensive Income for the period (IX +X)		114.69	(202.00)
Earnings per Equity Share (for Continuing Operation):	24.9		
(1) Basic		1.45	(1.26)
(2) Diluted		1.45	(1.26)

Significant Accounting Policies & Other Notes

18/24

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For SALARPURIA & PARTNERS

Chartered Accountants

Firm ICAI Reg. No.302113E

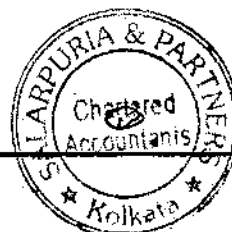
Nihar Ranjan Nayak

N. R. Nayak
Chartered Accountant

Membership No. -57076

Place : Kolkata

Date : 30.05.2018



HINDUSTHAN UDYOG LTD*Cash Flow Statement for the year ended 31.03.2018*

(₹ In Lakhs)

PARTICULARS	For the year ended 31.03.2018 ₹	For the year ended 31.03.2017 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	103.71	(90.47)
Adjustment for :		
Depreciation & Amortisation	123.73	129.73
Interest	146.84	149.22
Interest Income	(50.35)	(52.44)
Dividend Income	(77.38)	(77.38)
Profit on sale of Shares	(2.71)	-
(Profit)/Loss on Sale of Property, Plant and Equipment	(0.80)	-
Operating Profit before Working Capital Changes	243.03	58.65
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	(35.68)	(214.07)
Increase/(Decrease) in Other Current Liabilities	2,918.32	(692.83)
(Increase)/ Decrease in Inventories	71.82	82.76
(Increase)/ Decrease in Trade Receivables	567.07	486.41
Increase/ (Decrease) in Financial Liabilities	3.40	9.49
(Increase)/Decrease in Other Current Assets	(3,473.31)	327.28
(Increase)/Decrease in Other Non-Current Financial Assets	(0.20)	(0.49)
(Increase)/Decrease in Other Non-Current Assets	23.30	17.93
Increase/ (Decrease) in Provisions	(135.15)	(50.88)
Cash generated from/(used in) Operations	182.61	24.25
Direct Taxes Paid (Net)	(50.21)	(26.05)
Net Cash from Operating Activities	132.40	(1.80)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Property, Plant and Equipment	12.64	-
Interest Received	4.33	6.41
Dividend Received	77.38	77.38
(Purchase)/Sale of Investments (Net)	17.79	1.81
Purchase of Property, Plant and Equipment	(54.52)	(37.05)
Increase/Decrease in Bank Deposits	-	-
Net Cash from Investing Activities	57.61	48.56



HINDUSTHAN UDYOG LTD

Cash Flow Statement for the year ended 31.03.2018

(₹ In Lakhs)

PARTICULARS	For the year ended 31.03.2018 ₹	For the year ended 31.03.2017 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(100.52)	(106.71)
Proceeds/(Repayment) of Long Term Borrowings	11.58	(8.08)
Proceeds/(Repayment) of Short Term Borrowings	(148.83)	60.33
Net Cash from Financing Activities	(237.77)	(54.47)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	(47.76)	(7.71)
Cash and Cash Equivalents at the beginning of the year	100.48	108
Cash and Cash Equivalents at end of the year	52.72	100.48

(₹ In Lakhs)

PARTICULARS	As At 31.03.2018 ₹	As At 31.03.2017 ₹
Cash & Cash Equivalents :		
Balances with Bank		
Current Account	44.24	91.88
Cash on Hand	8.48	8.60
Total	52.72	100.48

Note :

(a) Previous year's figures have been regrouped/recasted wherever necessary.

(b) The above cash flow has been prepared under "Indirect Method" as per Ind AS 7, "Statement of Cash Flows", as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

FOR SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS
Firm ICAI Reg. No.302113E

Nihar Ranjan Nayak

N. R. Nayak
Chartered Accountant
Membership No.-57076
Place : Kolkata Partner
Date : 30.05.2018



Umesh

P. K. Ghosh

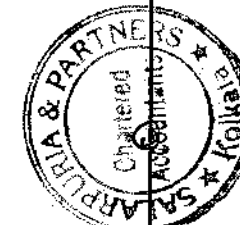
HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

STATEMENT OF CHANGES IN EQUITY	PARTICULARS	Note No.	RESERVES & SURPLUS					OTHER COMPREHENSIVE INCOME		Total Equity Attributable to Equity Holders of the Company
			Securities Premium Reserve	Revaluation Surplus	General Reserve	Special Capital Incentive	Capital Reserve	Retained Earnings	Fair Value Gain/(Loss) on Equity Instruments	
	Balance as on 01.04.2016		138.41	48.45	121.62	30.00	3,908.28	527.23	-	2,724.51
	Transfer to Retained Earning		-	-	-	-	-	-	-	-
	Earlier adjusted from Revaluation Reserve		-	-	-	-	-	-	-	-
	Profit for the year 2016-17		-	-	-	-	-	-	(90.47)	(90.47)
	Rectification of Errors		-	-	-	-	-	-	-	-
	Changes in Accounting Policies		-	-	-	-	-	-	-	-
	Prior Period Errors		-	-	-	-	-	-	-	-
	Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	(19.20)	(19.20)
	Changes in Fair Value of Investment		-	-	-	-	-	(115.42)	-	(115.42)
	Tax Effect on Fair Value of Investment		-	-	-	-	-	23.08	-	23.08
	Restated Balance at 31st March, 2017		138.41	48.45	121.62	30.00	3,908.28	434.90	(19.20)	2,522.51
	Profit for the year 2017-18		-	-	-	-	-	-	103.71	103.71
	Total Comprehensive Income for the year		-	-	-	-	-	-	-	-
	Adjusted during the year		-	-	-	-	-	-	-	-
	Dividend Paid		-	-	-	-	-	-	-	-
	Tax on Dividend		-	-	-	-	-	-	-	-
	Transfer to Retained Earnings		-	-	-	-	-	-	-	-
	Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	-
	Changes in Fair Value of Investment		-	-	-	-	-	6.01	-	5.67
	Tax Effect on Fair Value of Investment		-	-	-	-	-	(0.70)	-	(0.70)
	Balance as at 31st March, 2018		138.41	48.45	121.62	30.00	3,908.28	440.21	(13.53)	2,637.20

Nihar Ranjan Nayak

Chartered Accountant
Place: Kolkata No. 57076
Date: 30.03.2018



For SALARPURIA & PARTNERS
Chartered Accountants
Firm ICAI Reg. No.302113E

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

NOTE 1 (A) : CORPORATE INFORMATION

The Company ("Hindusthan Udyog Limited") is an existing public company incorporated on 3rd September, 1947 under the Indian Companies Act, and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Trinity Plaza, 3rd floor, 84/1A, Topsia Road (South), Kolkata - 700046. The Company is engaged in manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Heavy Earth Equipments, Pumps, Valves and Compressors and other Heavy Engineering Industries. It is also engaged in manufacturing of Material Handling Equipments of varied nature required in the Mines, Cement Plants, Power Plants and Other General Engineering Sectors. The manufacturing units are located in Kolkata and Nagpur. The Equity Shares of the Company are listed on BSE Limited ("BSE") and Calcutta Stock Exchange ("CSE"). The Financial Statements are presented in Indian Rupees.

NOTE 1 (B) : SIGNIFICANT ACCOUNTING POLICIES.

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

i) BASIS OF PREPARATION

The financial statements of Hindusthan Udyog Ltd ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India.

The financial statements up to the year ended 31st March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 24.1 on 'First Time Adoption of Ind AS' for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows which is separated presented in the annual report.

The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis. The Financial Statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- 1 Certain financial assets and liabilities that are measured at fair value.
- 2 Assets held for sale which are measured at lower of carrying value and fair value less cost to sell.
- 3 Defined benefit plans where plan assets are measured at fair value.

The financial statements for the year ended 31st March, 2018 have been approved by the Board of Directors of the Company in their meeting held on 30th May, 2018.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As set out in the Schedule III to the Companies Act, 2013, the normal operating cycle cannot be identified and hence it is assumed to have a duration of twelve months.

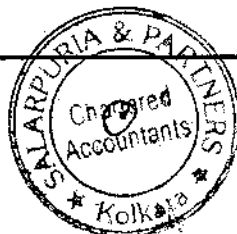
Use of Estimates and Management Judgement

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined. (Refer Note..... if needed)

ii) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, allowances, rebates, value added taxes, goods and services tax and amounts collected on behalf of third parties. The company recognizes revenue when the amount of Revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

- 1 Sales are recognised when significant risks and rewards are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.
- 2 Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.



III) Other Income:

- 1 Interest Income on Financial Assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the Financial Asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.
- 2 Dividends are recognized in the statement of profit and loss only when the right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
- 3 Profit/Loss on sale of Investments is recognised on the contract date.
- 4 Others: The Company recognizes other income (including rent and misc receipts) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

IV) Property, Plant and Equipment

- a) On transition to Ind AS, the Company has elected to continue the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and used those carrying values as the deemed cost of property, plant and equipment.
- b) Asset Class:
 - i) Freehold Land is carried at historical cost including cost that is directly attributable to the acquisition of the land.
 - ii) All other items of property, plant and equipment are stated at historical cost less accumulated depreciation/ amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment recycled from hedge reserve as basis adjustment.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency recycled from the hedge reserve as basis adjustment.

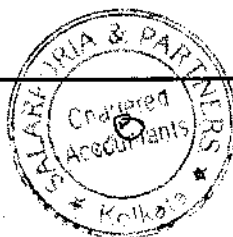
Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred except the amortisation value of durgapur leasehold land is not material.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.



VI) Disposal of Assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

VII) Investment Property

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

VIII) Foreign currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in India Rupee which is HUL's functional and presentation currency.

- a) On initial recognition, all foreign currency transaction are recorded at foreign exchange rate on the date of transaction.
- b) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
- c) The gain or loss on decrease/increase in reporting currency due to fluctuation in foreign exchange rate, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss

VIII) Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for purchases of raw materials.

Cost is determined using the weighted average cost for Nagpur Unit and FIFO for Kolkata Unit. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

IX) Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of Financial Assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.



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Notes to Standalone Financial Statement As At 31.03.2018

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on Remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other comprehensive income is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

Financial Assets at Fair Value through Profit and Loss (FVTPL)

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

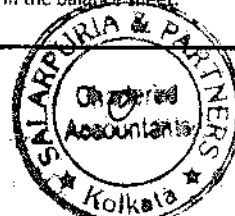
Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.



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Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

Financial Liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.



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Notes to Standalone Financial Statement As At 31.03.2018

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

X) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured initially at fair value, and subsequently at amortised cost using effective interest method, less provision for impairment.

Loss allowance for expected life time credit loss is recognised on initial recognition.

XI) Trade Payables

Trade Payables are liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

XII) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised at transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In the case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a repayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes repayable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

XIII) Foreign Currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian National Rupee (₹), which is the company's functional and presentation currency.

- a) On initial recognition, all foreign currency transactions are recorded at the foreign exchange rate on the date of transaction.
- b) Monetary items of current assets and liabilities in foreign currency outstanding at the close of the financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
- c) the gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the statement of Profit and Loss.

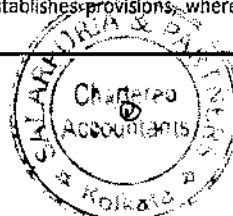
XIV) Income Tax

The income tax expense or credit for the period is the tax payable on current period's taxable income based on the applicable income tax rates for the jurisdiction.

Current tax and deferred tax are recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or other comprehensive income.

Current Income Tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management evaluates periodically positions taken with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.



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Notes to Standalone Financial Statement As At 31.03.2018

XIV) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if

- i) the business has present legal or constructive obligation as a result of a past event;
- ii) it is probable that an outflow of resources will be required to settle the obligation; and
- iii) the amount of obligation has been reliably estimated

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of time value of money is material, provisions are discounted to reflect its current value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

XVI) Employees Benefit Expenses

a) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

b) Long Term Employee Benefit Obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service. They are, therefore, measured at the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in the actuarial assumptions are recognised in the Statement of Profit and Loss.

Under Ind AS, re-measurements of defined benefit plan are recognised in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred as at the date of transition to Ind AS.

XVII) Dividend

Provision is made for the amount of any final dividend declared, being appropriately authorised in the Annual General Meeting and no longer at the discretion of the Company.

Interim Dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

XVIII) Earnings Per Share

Earnings Per Share is calculated by dividing the net profit or loss of the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings Per Share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that 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.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

Particulars	PROPERTY, PLANT & EQUIPMENT										Total	
	Freshhold Land	Lease Hold Land*	Building & Structures	Plant & Equipments	Electronic Data Processing	Electric Installations	Vehicles	Furniture & Fittings				
Gross block												
Gross Carrying Amount As At 1st April, 2017	193.63	166.84	569.52	510.03	0.84	31.85	45.33	34.27			1,552.33	
Additions during the year	-	-	-	19.05	-	0.07	25.45	9.08			53.66	
Reclassification made during the year	-	-	-	-	-	-	-	-			-	
Disposals/deductions during the year	-	-	-	(13.34)	-	-	-	-			(13.34)	
Gross carrying amount as at 31st March, 2018	193.63	166.84	569.52	515.74	0.84	31.92	70.78	43.35			1,592.64	
Depreciation /Amortisation												
Accumulated depreciation/amortisation as at 1st April, 2017	-	1.56	29.97	70.56	0.51	5.46	14.11	7.56			129.73	
Depreciation/ amortisation for the year	-	1.37	29.17	59.87	0.21	16.89	14.33	7.91			123.73	
Reclassification made during the year	-	-	-	-	-	-	-	-			-	
Disposals/deductions during the year	-	-	-	(1.50)	-	-	-	-			(1.50)	
Accumulated depreciation as at 31st March, 2018	-	2.92	59.14	122.92	0.72	22.35	28.43	15.47			251.96	
Net carrying amount as at 31st March, 2018	193.63	163.92	510.38	392.82	0.12	9.57	42.35	27.89			1,340.68	
Gross block												
Deemed Cost as at 1st April, 2016	193.63	166.84	569.52	473.97	0.66	31.85	45.33	33.47			1,515.28	
Additions during the year	-	-	-	36.06	0.19	-	-	0.80			37.05	
Reclassification made during the year	-	-	-	-	-	-	-	-			-	
Disposals/deductions during the year	-	-	-	-	-	-	-	-			-	
Gross carrying amount as at 31st March, 2017	193.63	166.84	569.52	510.03	0.84	31.85	45.33	34.27			1,552.33	
Depreciation /Amortisation												
Opening accumulated depreciation/amortisation as at 1st April, 2016	-	-	-	-	-	-	-	-			-	
Depreciation/ amortisation for the year	-	1.56	29.97	70.56	0.51	5.46	14.11	7.56			129.73	
Reclassification made during the year	-	-	-	-	-	-	-	-			-	
Disposals/deductions during the year	-	-	-	-	-	-	-	-			-	
Accumulated depreciation as at 31st March, 2017	-	1.56	29.97	70.56	0.51	5.46	14.11	7.56			129.73	
Net carrying amount as at 31st March, 2017	193.63	165.29	539.55	439.47	0.33	26.39	31.23	26.71			1,422.59	
Net carrying amount as at 1st April, 2016	193.63	166.84	569.52	473.97	0.66	31.85	45.33	33.47			1,515.28	

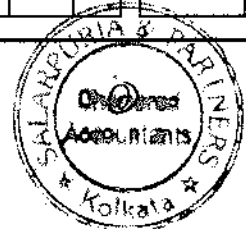
* Cost of Leasehold Land at Nagpur is amortized over the period of the Lease of 95 Years. Provision for amortisation of Long term Leasehold land at Durgapur has not been made. Certain portions of the Factory premises have been given on lease.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

Note: 3 FINANCIAL ASSETS	(₹ In Lakhs)					
	No. of Shares	As At 31.03.2018	No. of Shares	As At 31.03.2017	No. of Shares	As At 01.04.2016
(A) INVESTMENTS (Measured at fair value through Other Comprehensive Income)						
(i) Investment in Equity Instrument (Quoted)						
1) Tea Time Ltd.	114,000	100.13	114,000	100.13	114,000	123.50
2) Phosphate Co. Ltd.	26,400	41.64	26,400	41.64	26,400	41.33
3) Northern Projects Ltd.	139,900	112.83	139,900	112.83	139,900	143.12
4) Asutosh Enterprises Ltd.	150,000	55.85	150,000	55.85	150,000	53.54
5) Neptune Exports Ltd.	230,500	138.25	230,500	138.25	230,500	207.38
6) Orient International Ltd.	165,000	47.22	165,000	47.22	165,000	46.50
7) Bengal Steel Industries Ltd.	345,000	69.03	345,000	69.03	345,000	68.97
8) WPIL Ltd. (Associate)	3,861,659	357.48	3,861,659	357.48	3,861,659	357.48
9) Ador Welding Ltd.	-	-	3,000	9.26	3,000	8.61
10) Parsvnath Developers Ltd.	8,000	1.19	8,000	0.99	8,000	1.49
Total (i)		923.62		932.67		1,051.91
(ii) Investment in Equity Instrument (Unquoted)						
1) Hindusthan Parsons Ltd.	500,000	56.20	500,000	56.20	500,000	52.20
2) H. S. M. International Pvt. Ltd.	152,500	7.47	152,500	7.47	152,500	7.58
3) Tamilnadu Alkaline Batteries Ltd.	300,000	3.00	300,000	3.00	300,000	3.00
4) Spaans Babcock India Ltd. (Associate)	25,000	2.50	25,000	2.50	25,000	2.50
5) Bengal Central Building Society Ltd.	10,000	0.59	10,000	0.59	10,000	0.65
6) Kabini Papers Ltd., in Liquidation	42,135	-	42,135	-	42,135	-
7) AKA Washeries India Pvt. Ltd.	2,000	0.02	2,000	0.02	2,000	0.12
8) Huwood Hindusthan Pvt. Ltd.	2,000	1.00	2,000	1.00	2,000	0.91
9) Macneill Electricals Ltd.	918	0.01	918	0.01	918	0.01
10) V N Enterprises Limited	-	-	-	-	1,800	1.81
Total (ii)		70.79		70.79		68.78
(iii) Investment in Govt. Securities (NSC)		0.15		0.15		0.15
Total (i + ii + iii)		994.55		1,003.61		1,120.84
Aggregate value of Quoted Investments						
As at 31st March 2018		Market Value	As at 31st March 2017		Market Value	As at 1st April 2016
Cost		Rs.	Cost		Rs.	Market Value
	410	20,243.22		422.64	17,983.06	Rs.
				422.64		Rs.
						15,200.59

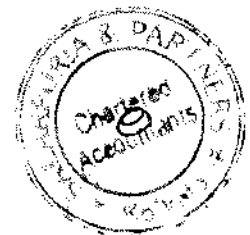


HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(B) TRADE RECEIVABLES	₹ In Lakhs)			
	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹	As At 01.04.2016 ₹
Current Portion	859.21	1,426.28		1,912.69
Non- Current Portion	-	-		-
	<u>859.21</u>	<u>1,426.28</u>		<u>1,912.69</u>
Unsecured , Considered Good	859.21	1,426.28		1,912.69
Doubtful	44.46	-		-
Total	903.67	1,426.28		1,912.69
Loss Allowance	(44.46)	-		-
Total Unsecured Trade Receivable	<u>859.21</u>	<u>1,426.28</u>		<u>1,912.69</u>

(C) OTHER NON CURRENT FINANCIAL ASSETS	₹ In Lakhs)			
	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹	As At 01.04.2016 ₹
Bank Deposits with Maturity more than 12 months	34.36	34.16		33.68
Total Non Current Other Non Financial Assets	<u>34.36</u>	<u>34.16</u>		<u>33.68</u>



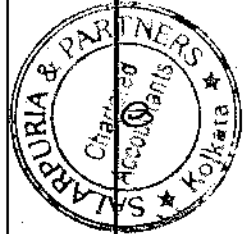
HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

	(₹ In Lakhs)			
	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹	AS AT 01.04.2016 ₹
Note : 4 DEFERRED TAX (NET)				
Deffered Tax Asset / (Liability)	(109.43)	(108.72)		(131.81)
	<u>(109.43)</u>	<u>(108.72)</u>		<u>(131.81)</u>

	(₹ In Lakhs)			
	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹	AS AT 01.04.2016 ₹
Note : 5 OTHER NON CURRENT ASSETS				
Advances - Non Current	1.27	1.27		2.49
Mat Credit Entitlement	11.47	11.47		11.47
Security Deposits	78.57	101.87		118.57
Total	<u>91.30</u>	<u>114.60</u>		<u>132.53</u>

	(₹ In Lakhs)			
	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹	AS AT 01.04.2016 ₹
Note : 6 INVENTORIES				
Raw Material	557.76	584.81		584.49
Work In Progress	709.72	622.11		691.48
Finished Goods	-	119.49		116.02
Tools & Implements	38.67	51.55		68.74
Traded Goods	-	-		-
Total	<u>1,306.15</u>	<u>1,377.97</u>		<u>1,460.73</u>



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

<i>Note : 7(A) CASH AND CASH EQUIVALENT</i>	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Balances with Bank - In Current Account	44.24	91.88	93.97
Cash on Hand	8.48	8.60	14.22
Total	52.72	100.48	108.19

(₹ In Lakhs)

<i>Note : 7(B) OTHER CURRENT FINANCIAL ASSETS</i>	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Accrued Interest	0.14	0.14	0.14
Total	0.14	0.14	0.14

(₹ In Lakhs)

<i>Note : 8 CURRENT TAX ASSET (NET)</i>	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Advance payment of Income Tax (Net)	110.54	60.33	34.27
Total	110.54	60.33	34.27

(₹ In Lakhs)

<i>Note : 9 OTHER CURRENT ASSETS</i>	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Advances to Staff (Unsecured- Considered Good)	7.01	6.66	9.28
Advances to Others	5,055.15	1,553.29	1,793.87
Security Deposit	12.79	14.01	15.17
Prepaid Expenses	6.62	10.41	4.07
Service Tax Receivable	0.16	17.26	15.20
Other Receivables	11.69	18.48	109.81
Total	5,093.43	1,620.12	1,947.40



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

₹ In Lakhs)

Note 10 (A) STATEMENT OF CHANGES IN EQUITY	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(A) Equity Share Capital			
Authorised Shares			
485,00,000 Equity Shares of Rs 10/- each	4,850.00	4,850.00	4,850.00
60,00,000 10% Cumulative Redeemable Preference Shares of Rs 10/- each	600.00	600.00	600.00
	<u>5,450.00</u>	<u>5,450.00</u>	<u>5,450.00</u>
Issued, Subscribed & Paid-Up Shares			
71,76,725 Equity Shares of Rs 10/- each, fully paid	717.67	717.67	717.67
	<u>717.67</u>	<u>717.67</u>	<u>717.67</u>
Total	<u>717.67</u>	<u>717.67</u>	<u>717.67</u>

a. Reconciliation of shares outstanding at the beginning & at the end of the reporting period

₹ In Lakhs)

Equity Shares	Nos.	As At 31.03.2017 ₹	Nos.	As At 31.03.2016 ₹
At the beginning of the period	7,176,725	717.67	7,176,725	717.67
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>7,176,725</u>	<u>717.67</u>	<u>7,176,725</u>	<u>717.67</u>

b. Terms/Rights attached to Equity Shares

The Company has one Class of Shares issued, Equity Shares having a par value of ₹ 10/- each. Each Equity Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

c. The Company does not have any Holding Company, ultimate Holding Company or Subsidiary Company.**d. Details of Shareholders holding more than 5% of Shares in the Company**

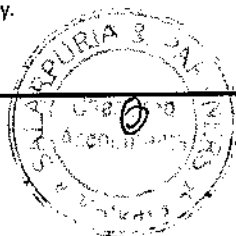
Particulars	Nos.	As at 31.03.2018 % Holding in the Class	Nos.	As at 31.03.2017 % Holding in the Class
Equity Shares of ₹ 10/- Each				
1. V.N. Enterprises Limited	1,659,625	23.13	1,659,625	23.13
2. Poonam Jhaver	1,000,000	13.93	1,000,000	13.93
3. Bengal Steel Industries Limited	598,600	8.34	598,600	8.34
4. Tea Time Limited	594,600	8.29	594,600	8.29
5. Neptune Exports Limited	590,400	8.23	590,400	8.23
6. Orient International Limited	546,850	7.62	546,850	7.62
7. Asutosh Enterprises Limited	457,500	6.37	457,500	6.37
8. Prakash Agarwal	516,200	7.19	178,500	2.49

e. No Shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment including the terms and amounts.**f. For the period of five years immediately preceding the date as at the Balance Sheet is prepared:**

No Shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash.

No Shares have been allotted as fully paid up by way of Bonus Shares.

No Shares has been bought back by the Company.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

Note : 10 (B) OTHER EQUITY	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(a) Share Premium			
As per Last Balance Sheet	138.41	138.41	138.41
(b) Revaluation Surplus			
As per Last Balance Sheet	48.45	48.45	48.45
Less : Transferred to Retained Earnings	-	-	-
Closing Balance	48.45	48.45	48.45
(c) General Reserve			
As per Last Balance Sheet	121.62	121.62	121.62
(d) Special Capital Incentive			
As per Last Balance Sheet	30.00	30.00	30.00
(e) Capital Reserve			
As per Last Balance Sheet	3,908.28	3,908.28	3,908.28
(f) Retained Earnings			
As per Last Balance Sheet	(2,139.95)	(2,049.48)	(2,049.48)
Add: Transfer from Revaluation Surplus	-	-	-
Profit for the Year	103.71	(90.47)	-
Closing Balance	(2,036.25)	(2,139.95)	(2,049.48)
(g) Other Comprehensive Income			
As per Last Balance Sheet	415.70	527.23	
Effect of Conversion to Ind AS			527.23
Movement in OCI during the year	10.98	(111.53)	-
Closing Balance	426.68	415.70	527.23
Total	2,637.20	2,522.51	2,724.51



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ in Lakhs)

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(A) BORROWINGS			
Unsecured			
Preference Shares	561.09	514.76	472.26
Vehicle Loan			
(i) From Banks *	29.58	18.00	26.09
Deferred Sales Tax Loan	1.17	1.17	1.17
Total	591.84	533.93	499.51

* The Loan is secured by hypothecation of Motor vehicles and is repayable in monthly instalments.

Rate of Interest :

Car Loan I - 10.25% (Repayable in 17 No. of Installments)

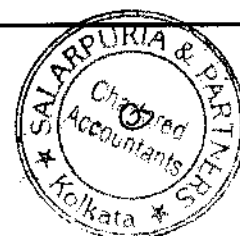
Car Loan II - 8.50% (Repayable in 11 No. of Installments)

(₹ In Lakhs)

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(B) TRADE PAYABLES			
CURRENT			
Trade Payables			
~ Total Outstanding Dues to Micro and Small Enterprises *	-	-	-
~ Total Outstanding dues of Creditors other than Micro Enterprise & Small Enterprises*	523.83	559.52	773.59
Total	523.83	559.52	773.59
NON-CURRENT			
Retention Payable to Contractor	-	-	-
Total	-	-	-

* There is one Micro, Small and Medium Enterprises to which the company owes no dues as on 31.03.2018.

Particulars	As at 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year (but within due date as per the MSMED Act).	NIL	NIL	NIL
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	NIL	NIL	NIL
the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	NIL	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of accounting year.	NIL	NIL	NIL
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL	NIL



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(C) OTHER FINANCIAL LIABILITIES			
Deferred Liability of Preference Shares	-	35.69	81.72
Total	-	35.69	81.72

(₹ In Lakhs)

Note : 12 LONG TERM PROVISIONS	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Provision for Employee Benefits			
- Provision for Gratuity	145.90	164.00	189.97
- Provison for Leave Encashment	31.15	45.40	48.33
Total	177.05	209.41	238.29



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(A) BORROWINGS			
Loans Repayable on demand (Unsecured)			
• From Banks			
– Cash Credit Facilities (Secured) #	49.82	198.66	138.32
Inter Corporate Deposits (Unsecured)	1,350.00	1,350.00	1,350.00
Other Loans (Specify Nature)	-	-	-
Total	1,399.82	1,548.66	1,488.32

#The loan is repayable on demand and is secured by way of Mortgage of Immovable Properties of the Company at Ganipur, Kolkata and Nagpur and Hypothecation of Book Debts, Raw Materials, Work in Process and Finished Goods, Stores and Spares and Other Current assets, both Present and Future.

(₹ In Lakhs)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
(B) OTHER FINANCIAL LIABILITIES			
Deferred Liability of Preference Shares	35.69	46.03	46.03
Advances from Customers	-	-	-
Other Payables	2.38	2.38	2.38
Payable to Employees	44.35	40.95	31.46
Total	82.42	89.36	79.87

(₹ In Lakhs)

Note : 14 OTHER CURRENT LIABILITIES	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Advance from Customers	9.37	5.07	8.72
Deposits From Contractors	4.88	6.38	6.38
Security Deposits Received	-	10.80	-
Statutory Dues Payable			
– Provident Fund	8.01	4.85	4.57
– Employee State Insurance Fund & Labour Welfare Fund	1.89	0.98	0.53
– Goods & Services Tax			
* C. G. S. T. Payable	8.03	-	-
* S. G. S. T. Payable	8.03	-	-
* I. G. S. T. Payable	112.81	-	-
– Sales Tax Payable	-	15.78	(0.01)
– Tax Deducted At Source	7.33	8.48	7.21
– Professional Tax	0.65	0.32	0.26
Advance From Others *	3,468.02	658.02	1,375.87
Total	3,629.01	710.69	1,403.52

* Includes from WPIL (Associate)

3,420.00

570.00

570.00



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

<i>Note : 15</i> SHORT TERM PROVISIONS	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Provision for Employee Benefits			
– Provision for Gratuity	12.97	16.80	19.20
– Provison for Leave Encashment	2.70	4.72	5.11
Other Short Term Provison (Trade & Other Issues)	-	102.62	102.62
	-	-	-
Total	15.67	124.14	126.93



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

(₹ In Lakhs)

<i>Note : 16 REVENUE FROM OPERATIONS</i>	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
A) Revenue from Sale of Products	2,632.95	2,596.61
Sub Total (A)	2,632.95	2,596.61
B) Other Operating Revenues		
Scrap Sales	1.74	15.03
Sub Total (B)	1.74	15.03
Total (A + B)	2,634.69	2,611.64

(₹ In Lakhs)

<i>Note : 17 OTHER INCOME</i>	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
(a) <u>Interest Income</u>		
– Of Preference Share amortised through FVTPL	46.03	46.03
(b) <u>Dividend Income</u>		
– Dividends from quoted equity investments measured at fair value through OCI*	0.15	0.15
– Dividends from Associate Companies	77.23	77.23
(c) <u>Other Non Operating Income</u>		
– Income From Security Deposits	3.23	5.19
– Income From Fixed Deposit	1.10	1.22
– Profit From Sale of Property Plant & Equipment (Net)	0.80	-
– Lease Rent	189.51	109.34
– Profit on Foreign Exchange Fluctuation	2.58	11.73
– Sundry Balances Written Back (Net)	29.10	-
– Sale of Export Licence	24.66	-
(d) <u>Other Gains & Losses</u>		
– Profit on Sale of Shares measured at FVTPL	2.71	-
Total	377.10	250.89



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

(₹ In Lakhs)

<i>Note : 18 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES</i>	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
Raw Material Consumed	467.36	581.44
Stores Consumed	347.19	244.18
Power & Fuel	213.83	267.72
Carriage Inward	0.05	1.30
Total	1,028.43	1,094.64

(₹ In Lakhs)

<i>Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SALEABLE SCRAP</i>	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
Stock at the Beginning of the Year		
Finished Goods	119.49	116.02
Work-in-Progress	622.11	685.01
Total	741.61	801.03
Stock at the End of the year		
Finished Goods	-	119.49
Work-in-Progress	707.68	622.11
	707.68	741.61
Changes in Inventories of Finished Goods, Work In Progress and Saleable Scrap	33.92	59.42

(₹ In Lakhs)

<i>Note : 20 EMPLOYEE BENEFIT EXPENSES</i>	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
Salary, Wages, Bonus & Allowances *	479.54	609.54
Contribution to Provident Fund, Gratuity, ESI & Other Fund	80.13	87.29
Staff Welfare Expenses	22.21	16.73
Total	581.89	713.57

* Includes Director's Remuneration of Rs 16.50 Lakhs (P.Y. - Rs 12 Lakhs)



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

Note : 21 FINANCE COSTS	(₹ In Lakhs)	
	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
Interest		
(i) <u>Interest cost on Financial Liabilities measured at amortized cost</u>		
- on borrowings from banks	100.52	106.71
- on preference shares calculated as per Effective Interest Method	46.33	42.50
Total	146.84	149.22

Note : 22 DEPRECIATION & AMORTISATION EXPENSE	(₹ In Lakhs)	
	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
Depreciation on Property, Plant & Equipment	123.73	129.73
Total	123.73	129.73

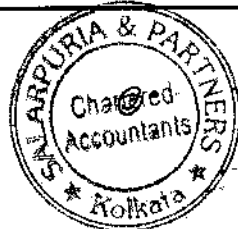


HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

(₹ In Lakhs)

Note : 23 OTHER EXPENSES	For the Year Ended 31.03.2018 ₹	For the Year Ended 31.03.2017 ₹
Component Processing Expense	243.23	189.61
Selling & Distribution Expenses		
Freight & Transportation	52.78	58.59
Advertisement & Sales Promotion	0.72	0.38
Rates & Taxes	30.22	21.97
Repairs & Maintenance		
Repairs to Plant & Machinery	39.24	47.38
Repairs to Others Assets	9.70	14.33
Travelling Expenses		
Inland Travelling	33.22	53.00
Foreign Travelling	6.70	-
Auditors' Remuneration		
- Audit Fees	1.65	0.90
- Tax Audit Fees	-	0.45
- Certification/Limited Review Fees	-	1.05
Commission, Discount & Rebates	3.47	23.51
Inspection & Testing Expense	0.07	2.85
Excise Duty	(6.66)	25.15
Sales Tax	0.71	15.49
Service Tax	0.01	0.11
Swachh Bharat Cess	0.00	0.31
Krishi Kalyan Cess	0.00	0.00
CGST	(8.55)	-
SGST	(8.55)	-
IGST	(2.49)	-
Director Meeting Fees	0.20	0.23
Service Charges	57.45	63.82
Liquidated Damages	23.89	19.46
Electricity Charges	4.69	2.92
Rent	25.10	32.04
Bank Charges	3.21	5.43
Provision for Doubtful Debts	44.46	-
Conveyance Charges	5.92	1.02
Export Licence	24.66	-
Vehicle Maintenance	14.23	9.43
Service Tax Input Written Off	17.97	-
Printing & Stationery	2.38	2.51
Postage, Telegram & Telephone	6.62	4.64
Insurance	7.35	5.51
Listing Fees	3.01	2.18
Donation & Subscription	2.36	1.79
Miscellaneous Expenses	15.07	19.77
Total	654.04	625.81



Note: 24 NOTES

24 First-time Adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

1 The Company has elected to continue with the carrying value of Property, plant and equipment and Intangible assets as recognised in its Indian GAAP financial statement as deemed cost at the transition date, viz., 1st April, 2016.

2 Investments In Associate

The Company has opted para D14 and D15 of Ind AS 101 and accordingly considered the Previous GAAP carrying amount of Investments as deemed cost as at the transition date.

B. Applicable Mandatory Exceptions

1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

24.2 Contingent Liabilities

- a) Letters of Guarantee outstanding as at 31.03.2018 is Rs. 38.43 Lacs (Previous Year - Rs. 38.43 Lacs)
- b) Claim not acknowledged as debts: - Disputed demand for Sales Tax Rs. 131.32 Lacs (Previous Year - Rs. 140.47 Lacs) appealed against.

24.3 Related Party Disclosures:

i) Relationship

Key Managerial Personnel (KMP) & their Relatives

- | | |
|------------------------|--|
| a) Mr. V.N. Agarwal | Managing Director |
| b) Mr. Prakash Agarwal | Director - Son of Mr. V.N. Agarwal |
| c) Mrs. Ritu Agarwal | Director - Wife of Mr. Prakash Agarwal |

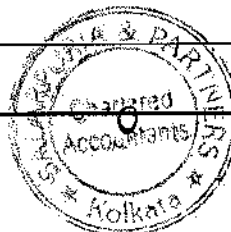
Associate Company
WPIL Limited (WPIL)
Spaans Babcock India Ltd.

ii) Transactions with Related Parties

(₹ In Lakhs)

	WPIL Rs.	KMP Rs.
Sales & Services	1,846.53 (1,020.98)	-
Purchases	14.59 (45.67)	-
Dividend Receipts	77.23 (77.23)	-
Lease Rent Receipts	132.00 (84.00)	-
Managerial Remuneration - Mr. V.N. Agarwal	-	16.50 (12.00)
Directors Sitting Fees	-	0.20 (0.12)
Trade Receivables	416.20 (597.00)	-
Advance Received	2,850.00	-
Ameneties Received	2.79	-
Ameneties Paid	1.11	-

* All receivables and payables are subject to confirmation.



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note: 24 NOTES

24.4 Segment Reporting

The operation of the Company relates to Single Primary Business Segment i.e. Engineering (Steel Castings & Alloys). Accordingly, there is no primary business segment. However, information about Segment based on geographical location of the Customers i.e. Domestic & Export Sales have been provided:-

Information about Secondary Segments - Geographical

PARTICULARS		Rs. In Lakhs
(i)	Revenue by Geographical Market	
	- India	2,328.72
	- Outside India	304.22
		2,632.95
(ii)	Addition to Fixed Assets	
	- India	53.66
	- Outside India	-
		53.66
(iii)	Carrying amount of Segment Assets	
	- India	4,148.19
	- Outside India	-
		4,148.19

24.5 Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2018. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2018.

24.6 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by category

(₹ In Lakhs)

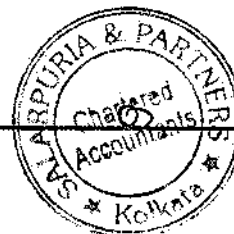
Particulars	As At	As At	As At
	31.03.2018	31.03.2017	01.04.2016
	₹	₹	₹
A. Financial Assets			
I. Measured at fair value through other comprehensive income (FVTOCI)			
Investments	994.55	1,003.61	1,120.84
II. Measured at amortised cost			
Trade Receivables	859.21	1,426.28	1,912.69
Cash & Cash Equivalents	52.72	100.48	108.19
A. Financial Liabilities			
I. Measured at amortised cost			
Borrowings	1,991.66	2,082.59	1,987.84
Trade Payables	523.83	559.52	773.59
Other Financial Liabilities	82.42	89.36	79.87

(ii) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which the fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the entity has classified its financial instruments into 3 levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measure quoted prices

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Carrying Value	Level 1	Level 2	Level 3
Measured at fair value through Other Comprehensive Income (FVTOCI)				
As at 31st March 2018				
Investments		923.62	-	-
As at 31st March 2017				
Investments	422.64	932.67	-	-
As at 1st April 2016				
Investments	422.64	1,051.91	-	-
Measured at amortised cost for which fair value is disclosed				
As at 31st March 2018				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 31st March 2017				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 1st April 2016				
Deferred Sales Tax Loan	1.17	-	-	1.17

24.7 No Preference Dividend is payable to Preference Shareholders in respect of aforesaid 10% Cumulative Redeemable Preference Shares as they have waived their right in respect of any Preference dividend from the date of allotment of these Shares till the date of their redemption and measured at amortised cost. These Preference Shares are due for redemption on 9th January, 2019 and shown as Long Term in the year on the basis of prudence.

24.8 Vehicle Loan is repayable in the year 2018-2019 amounts to ₹ 17.79 Lakhs

24.9 **Earnings Per Share**

Particulars	2016-17	2017-18
Earnings available for Equity Shareholder	(90.47)	103.71
Weighted Average Number of Equity Shares	7,176,725	7,176,725
Earnings Per Share (basic/diluted)	(1.26)	1.45



24.10 Disclosures as required under Indian Accounting Standard 19 on "Employee Benefits"

A. Defined Benefit Plan

The Company has unfunded scheme for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon tenure of service for each year of completed service subject to minimum five years of service payable at the time of separation upon superannuation or on exit otherwise.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans .

(₹ In Lakhs)

PARTICULARS	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
1. Change in the Defined Benefit Obligation				
- Defined Benefit Obligation as at the beginning	208.18	236.55	50.13	39.60
- Current Service Cost	8.84	10.13	1.14	3.49
- Interest Expense or Cost	13.02	16.21	3.61	3.07
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	(4.71)	6.92	(0.80)	1.69
experience variance	(0.96)	12.27	(4.01)	-
- Past Service Cost	0.75	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Benefits paid	(38.87)	(73.91)	(16.20)	(1.63)
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
- Present Value of Obligation as at the end	186.26	208.18	33.86	46.23
2. Expenses recognised in the statement of Profit & Loss				
- Current Service Cost	8.84	10.13	1.14	3.49
- Interest Expense or Cost	13.02	16.21	3.61	3.07
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	-	-	-	-
experience variance	-	-	-	-
- Past Service Cost	0.75	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
Total	22.62	26.34	4.75	6.56
3. Other Comprehensive Income				
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	(4.71)	6.92	(0.80)	1.69
experience variance	(0.96)	12.27	(4.01)	-
Total	(5.67)	19.20	(4.82)	1.69
4. Actuarial Assumptions				
(a) Financial Assumptions				
Discount rate p.a	7.40% - 7.60%	7.20%	7.40% - 7.60%	7.20%
Salary growth rate p.a	5.00%	5.00%	5.00%	5.00%

* For the year ended 31st March, 2017, the figures of Leave Encashment only pertains to Nagpur unit of the Company.

24.11 Previous years' figures have been regrouped and rearranged, wherever necessary.



HINDUSTHAN UDYOG LIMITED
Effect of Ind AS adoption on the Balance Sheet as at 31st March 2017 and 1st April 2016
CIN No.: L27120WB1947PLC015767

(₹ in Lakhs)

ASSETS	Notes	As at 31st March 2017			As at 1st April 2016		
		Previous GAAP	Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
(1) NON CURRENT ASSETS							
(a) Property, Plant and Equipment	1	1,422.59	-	1,422.59	1,515.28	-	1,515.28
(d) Financial Assets							
(i) Investments	2	459.99	543.62	1,003.61	461.80	659.04	1,120.84
(ii) Others		34.16	-	34.16	33.68	-	33.68
(e) Deferred Tax Assets (Net)		-	-	-	-	-	-
(f) Other Non- Current Assets		114.60	-	114.60	132.53	-	132.53
Total (a)		2,031.35	543.62	2,574.97	2,143.28	659.04	2,802.32
(2) CURRENT ASSETS							
(a) Inventories		1,377.97	-	1,377.97	1,460.73	-	1,460.73
(b) Financial Assets							
(ii) Trade Receivables		1,426.28	-	1,426.28	1,912.69	-	1,912.69
(iii) Cash & Cash Equivalents		100.48	-	100.48	108.19	-	108.19
(iv) Others		0.14	-	0.14	0.14	-	0.14
(c) Current Tax Asset (Net)		60.33	-	60.33	34.27	-	34.27
(d) Other Current Assets		1,620.12	-	1,620.12	1,947.40	-	1,947.40
Total (b)		4,585.32	-	4,585.32	5,463.43	-	5,463.43
Total Assets		6,616.67	543.62	7,160.29	7,606.71	659.04	8,265.75

(₹ in Lakhs)

EQUITY AND LIABILITIES	Notes	IGAAP	IND AS ADJUSTMENT	As At 31.03.2017	IGAAP	IND AS ADJUSTMENT	As At 01.04.2016
(1) EQUITY							
(a) Share Capital	3	1,317.67	(600.00)	717.67	1,317.67	(600.00)	717.67
(b) Other Equity	4	2,084.09	438.42	2,522.51	2,197.28	527.23	2,724.51
Total Equity		3,401.76	(161.58)	3,240.18	3,514.96	(72.77)	3,442.18
(2) LIABILITIES							
Non Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	3	19.17	514.76	533.93	27.26	472.26	499.51
(iii) Other Financial Liabilities	5	-	35.69	35.69	-	81.72	81.72
(b) Provisions		209.41	-	209.41	238.29	-	238.29
(c) Deferred Tax Liabilities (Net)	6	-	108.72	108.72	-	131.81	131.81
		228.58	659.17	887.75	265.55	685.78	951.33
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		1,548.66	-	1,548.66	1,488.32	-	1,488.32
(ii) Trade Payables		559.52	-	559.52	773.59	-	773.59
(iii) Other Financial Liabilities	5	43.33	46.03	89.36	33.84	46.03	79.87
(b) Other Current Liabilities		710.69	-	710.69	1,403.52	-	1,403.52
(c) Provisions		124.14	-	124.14	126.93	-	126.93
		2,986.33	46.03	3,032.36	3,826.20	46.03	3,872.23
Total Liabilities		3,214.91	705.20	3,920.11	4,091.76	731.81	4,823.56
Total Equity and Liabilities		6,616.67	543.62	7,160.29	7,606.71	659.04	8,265.75

* The figures of Previous GAAP have been regrouped or rearranged wherever necessary.



HINDUSTHAN UDYOG LIMITED

Effect of Ind AS adoption on the Balance Sheet as at 31st March 2017 and 1st April 2016

CIN No.: L27120WB1947PLC015767

Notes:

- 1 Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments
- 2 Under the previous GAAP, investment in equity instruments were classified as long term investments or current investment based on the intended holding period and realisability. The Company accounted for long term investments in equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments, if any.
Under Ind AS, the Company has the option to designate such investments either as FVTOCI or FVTPL investments. Further, in case of a associate, the Company has the option to account for investment in shares either at cost/deemed cost or FVTOCI or FVTPL as at the transition date.
As per the aforesaid alternatives, the Company has designated investment in the associate (quoted investment) at deemed cost i.e. the previous GAAP carrying amount as at the date of transition.
In case of other long term investments in unquoted equity shares, the Company has designated investments as FVTOCI investments as at the date of transition. Ind AS requires FVTOCI investments to be measured at fair value. However, since, the fair valuation has been done based on level 3 inputs, difference in fair value of investments as per Ind AS and carrying value of investments as per previous GAAP.
- 3 Preference Shares issued by the company was recognised under Share Capital as per previous GAAP. It has now been classified as debt as per Ind AS and measured at fair value through amortized cost using effective interest rate method.
- 4 **Defined Benefit Liabilities**
As under previous GAAP, under Ind AS also, the company continues to recognize cost related to its post - employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, was charged to Statement of Profit and Loss.
Under Ind AS, re-measurements of defined benefit plan are recognised in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 19,19,614 and re-measurement losses on defined benefit plans has been recognized in the OCI, net of tax as at the transition date.
Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred as at the date of transition to Ind AS.

Retained Earnings
Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

Total comprehensive Income and other comprehensive income
Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.
- 5 The difference between the fair value and the carrying value of the preference shares have been recognised as deferred liability on initial recognition and amortised over the life of the preference shares..
- 6 Deferred Tax Liability has been created on account of fair valuation of Investments in equity shares.



HINDUSTHAN UDYOG LTD

Effect of IND AS adoption on the Statement of Profit and Loss for the year ended 31st March 2017

CIN No.: L27120WB1947PLC015767

(₹ In Lakhs)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
I. Revenue from Operations	1	2,431.02	180.62	2,611.64
II. Other Income	3	204.86	46.03	250.89
III. Total Revenue (I + II)		2,635.88	226.65	2,862.53
IV. Expenses:				
Cost of Materials Consumed		1,094.64	-	1,094.64
Excise Duty	1	-	180.62	180.62
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress.		59.42	-	59.42
Employee Benefit Expenses	2	732.76	(19.20)	713.57
Finance Costs	3	106.71	42.50	149.22
Depreciation and Amortization Expense	4	129.49	0.24	129.73
Other Expenses		625.81	-	625.81
IV. Total Expenses		2,748.84	204.17	2,953.01
V. Profit/(Loss) before Exceptional Items and Tax (III - IV)		(112.96)	22.48	(90.47)
VI. Exceptional Item		-	-	-
VII. Profit/(Loss) before Tax (V - VI)		(112.96)	22.48	(90.47)
VIII. Tax Expense:				
1 Current Tax		-	-	-
2 Tax for earlier years (Net)		-	-	-
3 Deferred Tax		-	-	-
Net Current Tax (VIII)		-	-	-
IX. Profit/(Loss) for the Period (VII - VIII)		(112.96)	22.48	(90.47)
X. Other Comprehensive income for the period				
(A) (i) Item that will not be reclassified to Profit or Loss				
→ Changes in Fair Valuation of Equity Instrument		-	(115.42)	(115.42)
→ Remeasurement of Defined benefit Plans		-	(19.20)	(19.20)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-	23.08	23.08
(B) (i) Items that will be reclassified to Profit or Loss		-	-	-
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		-	-	-
XI. Total Comprehensive Income for the period (IX + X)		(112.96)	(89.04)	(202.00)

Notes:**1 Excise Duty**

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus under Ind AS, sale of goods for year ended 31st March, 2017 has increased by ₹ 180.62 Lakhs with a corresponding increase in total expense.

2 Defined Benefit Liabilities

As under previous GAAP, under Ind AS also, the company continues to recognize cost related to its post - employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, was charged to Statement of Profit and Loss.

Under Ind AS, re-measurements of defined benefit plan are recognised in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by ₹ 19.20 Lakhs and re-measurement losses on defined benefit plans has been recognized in the OCI, net of tax as at the transition date.

3 Finance Cost

The Company has issued cumulative non convertible 10% Preference Shares. The Preference Shares carry fixed dividend which has been waived by the Preference Shares Holders. Under previous GAAP, the preference shares were classified as Equity at face value of the proceeds. Under Ind AS, these are considered to be debt instruments comprising of liability and equity components which have being identified using appropriate interest rate.

The difference between the fair value and carrying value has been recognised as deferred liability which is amortised over the remaining life of the preference shares.

4 Depreciation

Under previous GAAP, the company used to adjust proportionate amount of depreciation with the revaluation reserve.

As per Ind AS the same treatment is not allowed and hence the amount charged to revaluation reserve has now been charged to Statement of Profit & Loss.

