



HINDUSTHAN UDYOG LTD.

Date: 12.09.2019

Registered Office :
"TRINITY PLAZA" 3rd Floor
84/1 A, Topsia Road (South)
Kolkata-700 046, India
Phone : (033) 4055 6800 / 2285 1079 & 81
Fax : (033) 4055 6863
E-mail : hulho@hul.net.in
CIN No.: L27120WB1947PLC015767

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

RE: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-19

Dear Sir,

Enclosed please find herewith the Annual Report of our Company for the Financial Year ended 31st March, 2019 in terms of Regulation 34(1) of SEBI (LODR) Regulations, 2015.

Thanking you.

Yours Faithfully,

FOR HINDUSTHAN UDYOG LIMITED

Shikha Bajor
[SHIKHA BAJAJ]

COMPANY SECRETARY & COMPLIANCE OFFICER

ENCLO: AS ABOVE



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 72nd Annual General Meeting (AGM) of the Members of the Company will be held on Monday, the 30th day of September, 2019 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:
 - a. the Audited Financial Statements of the Company for the year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2019 together with the Report of 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 resolution as an **ORDINARY RESOLUTION**:

APPOINTMENT OF MRS. PREMLATA AGARWAL ASA DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof), Mrs. Premlata Agarwal (DIN: 00752110), who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose Mrs. Premlata Agarwal as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director, whose office shall be liable to retire by rotation."

- IV. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

APPOINTMENT OF MRS. KIRAN DAROLIA AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with The Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of The Companies Act, 2013 (including any statutory modification or re-enactment thereof) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Kiran Darolia (DIN: 08240886), who has submitted a declaration of independence under Section 149(6) of the Act, Companies (Appointment and Qualification of Directors) Second

Amendment Rules, 2018 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is eligible for appointment as such and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose Mrs. Kiran Darolia as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for an initial period of five years commencing from the conclusion of this AGM up to the conclusion of Seventy Seventh AGM."

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

RE-APPOINTMENT OF MR. A.K. GHOSH AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of The Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to The Companies Act, 2013 (including any statutory modification or re-enactment thereof) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. A.K. Ghosh (DIN: 01424368), an existing Independent Director, who has submitted a declaration of independence under Section 149(6) of the Act, Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2018 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and whose current term of office of five years shall be completed on the conclusion of the ensuing AGM, be and is hereby reappointed as an Independent Director for a further period of five years from the conclusion of the ensuing AGM upto the conclusion of Seventy Seventh AGM, notwithstanding that Mr. A.K. Ghosh had attained the age of seventy five years as on 1st April, 2019."

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

POSTPONEMENT OF DATE OF REDEMPTION OF PREFERENCE SHARES

"RESOLVED THAT pursuant to the applicable provisions of The Companies Act, 2013, the consent of the Company be and is hereby accorded for postponement of the date of redemption of 60,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 10/- each issued to V.N. Enterprises Limited from 9th January, 2019 to 9th January, 2022."

"RESOLVED FURTHER THAT any Director or the Company Secretary be and is hereby authorized to all such acts, deeds and things as may be required in this connection."

REGISTERED OFFICE:
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA-700046
CIN:L27120WB1947PLC015767
DATE: 30TH MAY, 2019

BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED


[SHIKHA BAJORIA]
COMPANY SECRETARY

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 25.09.2019 (Wednesday) to 30.09.2019 (Monday) (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 AGM will be available at the Company's Website www.hul.net.in and 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 of SEBI (Listing Obligations and Disclosure Requirements) 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 27th September, 2019 (9:00 am) and end on 29th September, 2019 (5:00 pm). During this period the Members of the Company as on the cut-off date of 23rd September, 2019, 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.
 - iv) Members can also use the OTP (One Time Password) based login for casting the votes on the E-Voting System of NSDL.
- 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 23rd September, 2019.
 - 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. 23rd September, 2019, 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 Company's Website and 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

The Board of Directors of the Company at their Meeting held on 28th September, 2018 had appointed Mrs. Premlata Agarwal (DIN: 00752110) as an Additional Director on the Board of the Company in terms of Section 161(1) of The Companies Act, 2013 and the Company's Articles of Association. In terms of the appointment, Mrs. Premlata Agarwal is liable to hold office upto the date of ensuing AGM.

A notice in writing under Section 160 of The Companies Act, 2013 has been received from a Member signifying his intention to propose Mrs. Premlata Agarwal as candidate for the office of Director.

The Board of Directors are of the opinion that considering the knowledge and experience of Mrs. Premlata Agarwal, her appointment as Director will be beneficial for the interest of the Company. Hence, the Board recommends that the Ordinary Resolution as set out in Item No. III of the Notice be approved by the Shareholders.

Except Mrs. Premlata Agarwal, Mr. V.N. Agarwal and Mr. Prakash Agarwal, no other Director or Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

ITEM NO. IV

The Board of Directors of the Company at their Meeting held on 28th September, 2018 had appointed Mrs. Kiran Darolia (DIN: 08240886) as an Additional Director on the Board of the Company in terms of Section 161(1) of The Companies Act, 2013 ('the Act'), the Company's Articles of Association and the recommendation of Nomination and Remuneration Committee. In terms of the appointment, Mrs. Kiran Darolia is liable to hold office upto the date of ensuing AGM.

A notice in writing under Section 160 of The Companies Act, 2013 has been received from a Member signifying his intention to propose Mrs. Kiran Darolia as candidate for the office of Independent Director.

Declaration has been received from Mrs. Kiran Darolia that she meets the criteria of Independence as prescribed under Section 149(6) of the Act read with the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations 2015. Accordingly, the Board is of the opinion that Mrs. Kiran Darolia fulfils the conditions as specified in the Act and the Listing Regulations for appointment as an Independent Director.

The Directors are of the opinion that considering the knowledge and experience of Mrs. Kiran Darolia, her appointment as an Independent Director will be beneficial for the interest of the Company. Hence, the Board recommends that the Ordinary Resolution as set out in Item No. IV of the Notice be approved by the Shareholders.

Except Mrs. Kiran Darolia, no other Director or Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

ITEM NO. V

The Members of the Company at their Sixty Seventh AGM held on 27th September, 2014, appointed Mr. A.K. Ghosh (DIN: 001424368) as an Independent Director of the Company for a

period of five years from the conclusion of said AGM upto the conclusion of 72nd (i.e. ensuing) AGM. In terms of Section 149(10) of The Companies Act, 2013 ('the Act'), an Independent Director may be re-appointed for a second consecutive term of five years on the approval of Shareholders through Special Resolution, subject to the provisions of Section 152 of the Act.

Further, with effect from 1st April, 2019, Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 mandates all Listed Companies to obtain shareholders' approval through Special Resolution for appointment/continuation of directorship of a Non-Executive Director who has attained the age of seventy five years.

Declaration has been received from Mr. A.K. Ghosh that he meets the criteria of Independence as prescribed under Section 149(6) of the Act read with the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations 2015. Accordingly, the Board is of the opinion that Mr. A.K. Ghosh fulfils the conditions as specified in the Act and the Listing Regulations for appointment as an Independent Director.

Mr. A.K. Ghosh is having in-depth exposure to International Business and vast experience in overall Business Administration. The Board of Directors of the Company are therefore of the opinion that continuation of his services would be beneficial and essential for the interest of the Company. Hence, the Board recommends that the Special Resolution as set out in Item No. V of the Notice be approved by the Shareholders.

Except Mr. A.K. Ghosh, no other Director or Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

ITEM NO. VI

The Board of Directors of the Company at their Meeting held on 1st December, 2018 noted that the Company's 60,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 10/- each allotted to V.N. Enterprises Limited were due for redemption on 9th January, 2019.

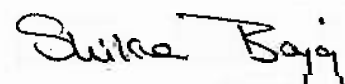
In view of the brought forward unabsorbed accumulated losses and the losses in the current year, the Board of Directors decided subject to the approval of both the Equity and Preference Shareholder(s) to postpone the period of redemption of the said Preference Shares by three years to 9th January, 2022. The Board has received the written consent from the Preference Shareholder in this respect in terms of The Companies Act, 2013.

The postponement would also require the approval of the Equity Shareholders as a Special Resolution. The Board therefore recommends that the Special Resolutions as set out in Item No. VI of the Notice be approved by the Shareholders.

None of the Directors and Key Managerial Personnel or their respective relatives are concerned or interested in the said Resolution except to the extent of their Shareholdings in the Company.

REGISTERED OFFICE:
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA-700046
CIN:L27120WB1947PLC015767
DATE: 30TH MAY, 2019

**BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED**


[SHIKHA BAJAJ]
COMPANY SECRETARY

DISCLOSURE OF DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

DIRECTOR NAME	PRAKASH AGARWAL	A.K.GHOSH	PREMLATA AGARWAL	KIRAN DAROLIA
Date of Birth	14.07.1971	06.01.1941	29.01.1949	11.01.1959
Date of 1 st Appointment	09.12.1998	31.03.2007	28.09.2018	28.09.2018
Qualifications	B.E. (Mechanical)	B. Com, LLB	Graduate	Graduate
No. of shares held	5,16,200	—	1,79,625	---
Nature of Expertise	Having professional expertise in the Operations of the Engineering Industry and wide experience in Global Marketing & Overall Business Management including acquisitions and turnarounds.	Having in-depth exposure to International Business and vast experience in overall Business Administration	Having vast experience in overall Business Management & administration	Having considerable experience and expertise in Business Management
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 	<ol style="list-style-type: none"> 1. Tea Time Limited 2. Neptune Exports Limited 3. Orient International Ltd. 4. Northern Projects Limited 5. HSM International Private Ltd. 	<ol style="list-style-type: none"> 1. Northern Projects Ltd. 2. Tea Time Limited 3. Neptune Exports Ltd. 4. Orient International Limited 5. Hindusthan Parsons Ltd. 6. HSM Investments Limited 	<ol style="list-style-type: none"> 1. Tamilnadu Alkaline Batteries Ltd.

Other Committee Memberships/ Chairmanships	In WPIL Limited: (a) Risk Management Committee- Chairman (b) Stakeholders Relationship Committee - Member (c) Share Transfer Committee – Member (d) Corporate Social Responsibility Committee – Member	In Tea Time Ltd: (a) Stakeholders Relationship Committee– Chairman (b) Audit Committee– Member (c) Nomination & Remuneration Committee– Member In Neptune Exports Ltd: (a) Stakeholders Relationship Committee– Chairman (b) Audit Committee– Member (c) Nomination & Remuneration Committee– Member In Orient International Ltd: (a) Audit Committee– Chairman (b) Nomination & Remuneration Committee– Member In Northern Projects Limited: (a) Audit Committee– Member (b) Nomination & Remuneration Committee - Member		
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DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

Your Directors have pleasure in presenting their 72nd Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2019.

COMPANY PERFORMANCE:

	2018 - 2019	2017 - 2018
FINANCIAL RESULTS	RS. IN LAKHS	RS. IN LAKHS
Total Revenue	2,108.76	3,011.78
EBITDA	90.21	374.28
Less: Finance Costs	140.47	146.84
Depreciation	111.29	123.73
Profit before Tax (PBT)	(161.55)	103.71
Less: Tax Expense	-	-
Profit after Tax (PAT)	(161.55)	103.71

The EBITDA of the Company declined in the current year from Rs. 374.28 Lakhs to Rs. 90.21 Lakhs due to a sharp decline in the sale of its Products with the fixed administrative costs remaining at around same levels as last year.

In view of the above losses, the Board of Directors of your Company has adopted measures to increase the business of the Company and for maintaining the operating costs at a minimum level. The Board Members are hopeful that the business of the Company shall become profitable in the succeeding years.

DIVIDEND

In view of the brought forward unabsorbed accumulated losses and the losses in the current year, 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's manufacturing unit is presently located in Nagpur.

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

The key operational highlights of the Company has 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 SA 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 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. There was no industrial relation related problem during the year.

F. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

There were no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in terms of the Listing Regulations in the Operating and Net Profit Margins of the Company.

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 2018-19 along with the Auditors' Certificate on its compliance in **Annexure B**.

DIRECTORS

Mrs. Premlata Agarwal and Mrs. Kiran Darolia were appointed as Additional Directors on the Board of the Company with effect from 28.09.2018 in terms of Section 161 of The Companies Act, 2013 ('the Act') and are liable to hold their offices, as such, upto the date of the ensuing Annual General Meeting (AGM). Necessary Notices have been received from the Members of the Company under Section 160 of Act signifying their intention to propose the appointments of Mrs. Premlata Agarwal and Mrs. Kiran Darolia as the Directors.

Mr. A.K. Ghosh, Independent Director, was appointed as such for a period of five years commencing from the 67th AGM of the Company and is liable to hold office upto the conclusion of the ensuing AGM. The Board Members are of the opinion that Mr. A.K. Ghosh be re-appointed for a second consecutive period of five years in terms of Section 149(10) of Act, subject to the approval of the Members in the ensuing AGM.

Mr. Prakash Agarwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mrs. Ritu Agarwal resigned from the Board of the Company with effect from the close of 28.09.2018. The Board Members are grateful to her for the services rendered by her during her association with the Company.

The Brief Resumes of the Directors seeking appointment/reappointment at the ensuing AGM is attached to the Notice of the said Meeting.

NO. OF BOARD MEETINGS HELD

During the year 2018-19, Six (6) Board Meetings were held on 30th May 2018, 14th August 2018, 28th September 2018, 14th November 2018, 1st December, 2018 and 12th February 2019.

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, 2019, 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, 2019 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 a Practicing Company Secretary to conduct the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31.03.2019 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 2018-19 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 support given by them to the Company and their confidence in its management.

PLACE: KOLKATA
DATE: 30TH MAY, 2019

FOR AND ON BEHALF OF THE BOARD



Premalal Agarwal
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 Company endeavors 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, as required, 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.

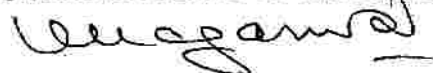
The Company has not imported any new technology during the last three years reckoned from the beginning of the Current Financial Year i.e. 1st April, 2018.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned	Rs. 531.39 Lakhs
Foreign Exchange used	Rs. 3.17 Lakhs

PLACE: KOLKATA
DATE: 30TH MAY, 2019

FOR AND ON BEHALF OF THE BOARD



Prem Lal Agarwal

DIRECTORS

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, 2019 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 31.03.2019 the Company's Board consisted of Five Directors who are eminent Professionals with experience and expertise in Business, Industry, Finance and Law.

Criteria for identification of core skill/expertise/competence of Board Members

The Company aims to have a Board with an ideal combination of experience and commitment to ensure that it discharges its duties and responsibilities effectively. In this regards, the Board of Directors have identified the following core skills/expertise/competencies that shall enable it to function effectively and are actually available with it:-

- (i) Leadership
- (ii) Familiarities with the business of the Company
- (iii) Exposure on various laws
- (iv) Expertise in Operations
- (v) Analytical skills
- (vi) Experience of administration and finance functions

The Composition of the Board as on 31.03.2019 are as follows:-

Sl. No.	Category	No. of Directors	% of Total
1.	Executive Director & Promoter - Managing Director	1	20.00
2.	Non-Executive Director & Promoter	2	40.00
3.	Non-Executive & Independent Director	2	40.00
	TOTAL	5	100.00

Details relating to the Composition of the Board as on 31.03.2019 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. Premlata Agarwal DIN:00752110	Non - Executive & Promoter (Woman Director)	6	—	—
4.	Mr. A. K. Ghosh DIN:01424368	Non - Executive & Independent	5	6	3
5.	Mrs. Kiran Darolia DIN:08240886	Non - Executive & Independent (Woman Director)	1	—	—

- The Committee Memberships/Chairmanships considers Audit Committee and Stakeholders Relationship Committee only.
- Mr. Prakash Agarwal is the son of Mr. V.N. Agarwal
- Mrs. Premlata Agarwal is the wife of Mr. V.N. Agarwal.
- The Non-Executive Directors do not hold any shares in the Company except for Mr. Prakash Agarwal and Mrs. Premlata Agarwal who respectively hold 5,16,200 and 1,79,625 shares in the Company.

- In the opinion of the Board of Directors the Independent Directors fulfill the conditions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of management.

Details regarding the directorships of the Board Members in Listed Entities are given below:-

SL.	DIRECTOR NAME	LISTED ENTITY NAME	CATEGORY OF DIRECTORSHIP
1.	Mr. V.N. Agarwal	a) Hindusthan Udyog Limited b) WPIL Limited c) Asutosh Enterprises Limited d) Bengal Steel Industries Limited e) Tea Time Limited f) Neptune Exports Limited g) Northern Projects Limited h) Orient International Limited	Managing Director Non-Executive & Promoter Non-Executive & Promoter Non-Executive & Promoter Non-Executive & Promoter Non-Executive & Promoter Non-Executive & Promoter Non-Executive & Promoter
2.	Mr. Prakash Agarwal	a) WPIL Limited b) Hindusthan Udyog Limited c) Bengal Steel Industries Limited	Managing Director Non-Executive & Promoter Non-Executive & Promoter
3.	Mrs. Premilata Agarwal	a) Northern Projects Limited b) Hindusthan Udyog Limited c) Tea Time Limited d) Neptune Exports Limited e) Orient International Limited	Executive Director Non-Executive & Promoter Non-Executive & Promoter Non-Executive & Promoter Non-Executive & Promoter
4.	Mr. A.K. Ghosh	a) Hindusthan Udyog Limited b) Tea Time Limited c) Neptune Exports Limited d) Northern Projects Limited e) Orient International Limited	Independent Independent Independent Independent Independent
5.	Mrs. Kiran Darolia	a) Hindusthan Udyog Limited	Independent

3) **BOARD MEETINGS & AGM HELD DURING THE FINANCIAL YEAR 2018 -19**

- (i) During the Financial Year 2018-19 Six Board Meetings were held on:-

30th May 2018, 14th August 2018, 28th September 2018, 14th November 2018, 1st December, 2018 and 12th February 2019.

- (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 28.09.2019
Mr. V. N. Agarwal	6	Yes
Mr. Prakash Agarwal	4	Yes
Mrs. Premlata Agarwal*	4	--
Mrs. Ritu Agarwal @	2	No
Mr. A. K. Ghosh	6	Yes
Mrs. Kiran Darolia \$	4	--

** Mrs. Premlata Agarwal was appointed on the Board of the Company with effect from 28.09.2018. Hence her particulars, as furnished above, relate to period commencing from 28.09.2018.*

@ Mrs. Ritu Agarwal resigned from the Board of the Company with effect from 28.09.2018. Hence her particulars, as furnished above, relate to period upto 28.09.2018.

\$ Mrs. Kiran Darolia was appointed on the Board of the Company with effect from 28.09.2018. Hence her particulars, as furnished above, relate to period commencing from 28.09.2018.

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 12th February, 2019 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 31.03.2019 is as follows:-

Name of the Director	Chairman/ Member	Category
Mr. A. K. Ghosh	Chairman	Non-Executive & Independent
Mr. Prakash Agarwal	Member	Non-Executive & Promoter
Mrs. Kiran Darolia *	Member	Non-Executive & Independent

During the Financial Year 2018-19 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
Mrs. Kiran Darolia *	3

** Mrs. Kiran Darolia was appointed as the Member of the Audit Committee with effect from 28.09.2018. Hence, her details, as furnished above, pertain to period commencing from 28.09.2018.*

ii) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

The said Committee was reconstituted on 12.02.2019 and consists of Mr. A.K. Ghosh, Mr. Prakash Agarwal and Mrs. Kiran Darolia. Mr. A.K. Ghosh is the Chairman of the said Committee.

Ms. Shikha Bajaj, Company Secretary acts as the Compliance Officer of the Company.

During the year ended 31st March 2019, no complaints/queries were received and no complaint/query was pending to be resolved as on 31st March, 2019.

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 as on 31.03.2019 was as follows:-

Name of Director	Chairman/Member
Mr. A. K. Ghosh	Chairman
Mr. Prakash Agarwal	Member
Mrs. Kiran Darolia *	Member

** Mrs. Kiran Darolia was appointed as a Member of the Nomination and Remuneration Committee with effect from 28.09.2018.*

During the Financial Year 2018-19 one Nomination and Remuneration Committee Meeting was held on 28th September, 2018.

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 the year 2018-19 are as follows:-

Salary	Perquisites	Total
Rs. 30,00,000/-	-----	Rs. 30,00,000/-

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 2019 were as follows:-

Name of the Director	Sitting Fees paid
Mr. Prakash Agarwal	Rs. 4,000/-
Mrs. Premlata Agarwal*	Rs. 4,000/-
Mrs. Ritu Agarwal@	Rs. 2,000/-
Mr. A. K. Ghosh	Rs. 6,000/-
Mrs. Kiran Darolia *	Rs. 4,000/-

** Sitting fees paid to Mrs. Premlata Agarwal and Mrs. Kiran Darolia pertains to Board Meetings attended by them post their appointment as Board Members on 28.09.2018.*

@ Sitting fees paid to Mrs. Ritu Agarwal pertains to Board Meetings attended by her prior to her resignation as Board Members, effective from 28.09.2018.

11) GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2017– 2018	Registered Office at: Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	28 th September, 2018	10a.m.
2016– 2017		26 th September, 2017	10a.m.
2015 –2016		29 th September, 2016	10a.m.

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

At AGM held on 28.09.2018

a) Reappointment of Mr. V.N. Agarwal as Managing Director for a period of 3 years commencing from 01.01.2018

At AGM held on 26.09.2017

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

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

- iii) Whether Special Resolutions were put : No
through Postal Ballot last year
- iv) Are Special Resolutions proposed to be put : Yes
through Postal Ballot this year
- v) Procedure to be followed for Postal Ballot : In accordance with the applicable
(if 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.
- v) The Members of the Company at their AGM held on 26.09.2017 had authorized the Board of Directors to fix the remuneration payable to the Statutory Auditors in consultation with them. Based on the recommendation of the Audit Committee and after consulting the Statutory Auditors, the Board of Directors have approved Rs. 3,20,000/- towards remuneration payable to the Statutory Auditors for the services rendered by them during the Financial Year 2018-19.

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:** - 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 displayed on the Website of the Company (www.hul.net.in).
- (iv) **Official News Releases:** - Official News Releases, if any, are 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	Monday
B.	Date	30 th day of September, 2019
C.	Time	10.00a.m.
D.	Venue	Registered Office at: Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.

(iii) **Financial Calendar for the Year 2019 - 20**

Sl.	Particulars	Remarks
A.	1 st Quarter ending 30 th June, 2019	Before 14 th August, 2019
B.	2 nd Quarter and Half-year ending 30 th September, 2019	Before 14 th November, 2019
C.	3 rd Quarter ending 31 st December, 2019	Before 14 th February, 2020
D.	4 th Quarter and Annual Results for the year ending 31 st March, 2020	Before 30 th May, 2020

- (iv) **Dates of Book Closure:** 25.09.2019 to 30.09.2019
(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, 2019.
- (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 2019-20 are being paid to both the Stock Exchanges.

(vii) Market Price Data:

There were no restrictions on trading in shares of the Company by any Authority. Moreover, there was no trading of the shares of the Company at the BSE and CSE during the year ended 31st March, 2019.

(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, 2019, 55,26,560 Equity Shares representing 77.01% 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, 2019 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, 2019:-

	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-1/2, Butibori Industrial Area, Ruikhairi, MIDC-Butibori, Dist Nagpur - 441122

(xvi) Address for correspondence:

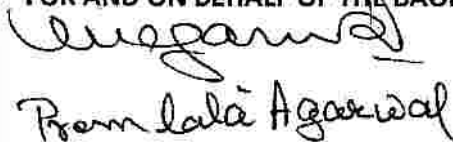
Shareholders should address their correspondence to the Company's RTA at their above mentioned Address or to the Secretarial Department of the Company at the following address:-

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, 2019 and the same was approved.

FOR AND ON BEHALF OF THE BOARD



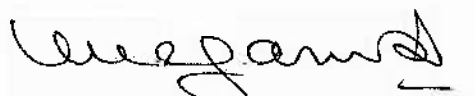
DIRECTORS

PLACE: KOLKATA
DATE: 30TH MAY, 2019

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 2018-2019.

FOR HINDUSTHAN UDYOG LIMITED


[V. N. AGARWAL]
MANAGING DIRECTOR

PLACE: KOLKATA
DATE: 30TH MAY, 2019



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

office@salarpuriajajodia.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 (the "Company") for the year ended March 31st, 2019, as prescribed in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paras C & D of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

We state that 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 aforesaid provisions of LODR.

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 Regn. No. 302113E

Nihar Ranjan Nayak

N.R. Nayak

Chartered Accountant

Membership No.-57076

Partner

Place: Kolkata.

Date : 30.05.2019



ANNEXURE C

FORM NO. MGT- 9
EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2019

[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	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)
2	Spaans Babcock India Ltd. Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (S), Kolkata – 700046	U29219WB1993 PLC058017	Associate Company	25.00%	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 01.04.2018			No. of shares held at 31.03.2019			% Change
	Physical	Demat	total	Physical	Demat	Total	
A. Indian Promoters							
- Individuals	7,08,235	---	7,08,235	---	7,08,235	7,08,235	9.87
- Bodies Corporate	40,34,456	6,37,219	46,71,675	2,24,100	44,47,575	46,71,675	65.09
Sub Total (A)	47,42,691	6,37,219	53,79,910	2,24,100	51,55,810	53,79,910	74.96
B. Public Non Institutions							
- Indian Bodies Corporate	1,17,850	55,267	1,73,117	1,17,850	55,267	1,73,117	2.41
- Indian Individuals							
(a) holding nominal capital upto Rs. 2 Lakh	1,29,315	483	1,29,798	1,29,315	483	1,29,798	1.81
(b) holding nominal capital in excess of Rs. 2 Lakh	11,78,900	3,15,000	14,93,900	11,78,900	3,15,000	14,93,900	20.82
Sub Total (B)	14,26,065	3,70,750	17,96,815	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	16,50,165	55,26,560	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	Premalata 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, 2019.

(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 01.04.2018		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 01.04.2018		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	---	---
2	Ms. Shikha Bajaj (Company Secretary)	---	---	---	---	---	---
OTHER DIRECTORS							
1	Mr. Prakash Agarwal	5,16,200	7.19	5,16,200	7.19	---	---
2	Mrs. Premlata Agarwal (*)	1,79,625	2.50	1,79,625	2.50	---	---
3	Mr. A. K. Ghosh	---	---	---	---	---	---
4	Mrs. Kiran Darolia	---	---	---	---	---	---

* Appointed as a Director with effect from 28.09.2018

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	80.57	1,350.00	---	1,430.57
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i + ii + iii)	80.57	1,350.00	---	1,430.57
Changes during the year (Reduction)	66.90	1,350.00	---	1,416.90
At end of the year:				
i) Principal	13.67	---	---	13.67
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i + ii + iii)	13.67	---	---	13.67

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	30,00,000
(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)	30,00,000

B. Remuneration to other Directors:

Particulars of Remuneration	Directors' name					Total (Rs.)
	Prakash Agarwal	Premlata Agarwal*	Ritu Agarwal@	A.K. Ghosh	Kiran Darolia	
Independent Directors						
- Fees for attending Board Meetings	---	---	---	6,000	4,000	10,000
- Commission	---	---	---	---	---	---
- Others	---	---	---	---	---	---
Total (1)	---	---	---	6,000	4,000	10,000
Other Non-Executive Directors						
- Fees for attending Board Meetings	4,000	4,000	2,000	---	---	10,000
- Commission	---	---	---	---	---	---
- Others	---	---	---	---	---	---
Total (2)	4,000	4,000	2,000	---	---	10,000
Total (1+2)	4,000	4,000	2,000	6,000	4,000	20,000

* Fees paid to Mrs. Premlata Agarwal are for the Board Meetings held and attended by her during her tenure commencing from 28.09.2018.

@ Mrs. Ritu Agarwal resigned from the Board with effect from 28.09.2018. Hence, Fees paid to her is for the Board Meetings held and attended by her upto the said date.

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

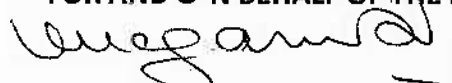
Sl	Particulars of Remuneration	Company Secretary Total (Rs.)
1	Gross Salary(*)	
(a)	Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	3,11,789
(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	---
(c)	Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	---
2	Stock Option	---
3	Sweat Equity	---
4	Commission	---
5	Others	---
	TOTAL (A)	3,11,789

* The Company Secretary was appointed with effect from 1st December, 2018. Hence, remuneration, as stated above, is for the period from 1st December 2018 to 31st March 2019.

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



Prem Lalit Agarwal

DIRECTORS

PLACE: KOLKATA
DATE: 30TH MAY, 2019



Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members of
Hindusthan Udyog Limited
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 adherence to good corporate practices by **HINDUSTHAN UDYOG LIMITED** (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 audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

1. 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, 2019 according to the applicable provisions of:-
 - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under (Not applicable to the Company during audit period);
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during audit period);

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during audit period);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during audit period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
 - 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 (Not applicable to the Company during audit period);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);
- (vi) There are no such laws that are specifically applicable to the Company with respect to the sector in which it is operating.

2. 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) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018.

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

3. 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 that took place during the year under review were carried out in compliance with the provisions of the Act;
- (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 of the meeting;
- (c) Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.

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

FOR RINKU GUPTA & ASSOCIATES
COMPANY SECRETARIES


RINKU GUPTA
Company Secretary In Practice,
C. P. No. 9248

PLACE: KOLKATA
DATE: 30TH MAY, 2019

RINKU GUPTA
COMPANY SECRETARY IN PRACTISE
FCS-9237, CP NO. 9248



ANNEXURE E**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	6.06

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 negligible, hence not reported separately.

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

Sl.	Name	Designation	Remuneration paid FY 2018-19 (Rs. In Lakhs)	Remuneration paid FY 2017-18 (Rs. In Lakhs)	Increase in remuneration (Rs. In Lakhs)
1	Mr. V. N. Agarwal	Managing Director	30.00	16.50	13.50

The Increase in remuneration of the Managing Director compared to last year was on account of increase in his remuneration on reappointment effective from 01.01.2018.

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 119.
- (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



Prem Lal Agarwal
DIRECTORS

PLACE: KOLKATA

DATE: 30TH MAY, 2019

SALARPURJA & PARTNERS
7, CHITTARANJAN AVENUE,
Kolkata 700 072
Phone No.2237 5400 / 5401
Fax No. : (033) 2225 0992
E-mail : salarpuria.jajodia@rediffmail.com

HIINDUSTHAN UDYOG LIMITED

**BALANCE SHEET, STATEMENT OF PROFIT &
LOSS, CASH FLOW STATEMENT AND STATEMENT
OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST MARCH, 2019**



Salarpuria & Partners

CHARTERED ACCOUNTANTS

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

Phone: 2237 5400 / 5401, 4014 5400 - 5410

website : www.salarpuriajajodia.com

e-mail : salarpuria.jajodia@rediffmail.com

office@salarpuriajajodia.com

Branches at New Delhi & Bangalore

INDEPENDENT AUDITOR'S REPORT

To The Members of Hindusthan Udyog Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of Hindusthan Udyog Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ₹ 91.93 lacs at Cuttack High court for which no provision has been made in the accounts.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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

Phone: 2237 5400 / 5401, 4014 5400-5410

website : www.salarpuriajajodia.com

e-mail : salarpuria.jajodia@rediffmail.com

office@salarpuriajajodia.com

Branches at New Delhi & Bangalore

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statement.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard specified under Section 133 of the Act. 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 judgements 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 of the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of user taken on the basis of these Ind AS Financial Statements.





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

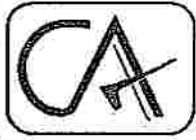
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note 24.1 to the Ind AS Financial Statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Salarpuria & Partners

Chartered Accountants

Firm ICAI Reg. No. 302113E

Nihar Ranjan Nayak

N. R. Nayak,

Chartered Accountant

Membership No. 57876

Partner

Place: Kolkata

Date: 30.05.2019





Salarpuria & Partners

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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.





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- 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, Goods & Service Tax and other statutory dues applicable to it with the appropriate authorities and there is no outstanding statutory dues as at 31.03.2019 for the period of more than six months from the date they became payable.
- (b) 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 save and except:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Related Year	Forum in which Dispute is Pending
West Bengal Sales Tax Act, 1994	Assessed Dues	414,263	2004-2005	WBCT(A/R) Board
Central Sales Tax Act, 1956	Assessed Dues	181,067	2004-2005	WBCT(A/R) Board
Central Sales Tax Act, 1956	Assessed Dues	1,634,285	1998-1999	Registrar Maharashtra Sales Tax Tribunal, Mumbai
Central Sales Tax Act, 1956	Assessed Dues	5,926,481	1999-2000	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Bombay Sales Tax Act, 1959	Assessed Dues	1,044,631	2000-2001	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act, 1956	Assessed Dues	1,389,004	2000-2001	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act, 1956	Assessed Dues	1,202,194	2001-2002	Registrar Maharashtra Sales Tax Tribunal, Mumbai
Bombay Sales Tax Act, 1959	Assessed Dues	949,067	2002-2003	Deputy Commissioner of Sales Tax(Appeal), Nagpur
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.
- 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.





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- 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 Indian 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. 51076
Partner



Place: Kolkata

Date: 30.05.2019



Salarpuria & Partners

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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, 2019 in conjunction with our audit of the Standalone 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.





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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 2019, 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
Member - Institute of Chartered Accountants of India



Place: Kolkata

Date: 30.05.2019

HINDUSTHAN UDYOG LTD

STAND ALONE BALANCE SHEET AS AT 31ST MARCH 2019

CIN No. : L27120WB1947 PLC 015767

		(' In lakhs)	
ASSETS	Notes	As At 31.03.2019	As At 31.03.2018
(1) NON CURRENT ASSETS			
(a) Property, Plant and Equipment	2	1,237.90	1,340.68
(b) Capital Work in Progress		-	0.87
(c) Financial Assets			
(i) Investments	3(a)	994.63	994.55
(ii) Trade Receivables	3(b)	-	-
(iii) Others	3(c)	19.55	5.29
(d) Deferred Tax Assets (Net)	4	-	-
(e) Other Non- Current Assets	5	91.30	91.30
Total (a)		2,343.38	2,432.69
(2) CURRENT ASSETS			
(a) Inventories	6	942.97	1,306.15
(b) Financial Assets			
(i) Trade Receivables	3(b)	682.60	837.44
(ii) Cash & Cash Equivalents	7(a)	743.74	52.72
(iii) Others	7(b)	43.68	29.22
(c) Current Tax Asset (Net)	8	139.36	110.54
(d) Other Current Assets	9	4,656.26	5,093.43
Total (b)		7,208.61	7,429.50
Total Assets		9,551.99	9,862.19

		As At	
EQUITY AND LIABILITIES	Notes	31.03.2019	31.03.2018
(1) EQUITY			
(a) Share Capital	10(A)	717.67	717.67
(b) Other Equity	10(B)	2,445.37	2,615.43
Total Equity		3,163.04	3,333.10
(2) LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11(a)	473.31	562.26
(ii) Other Financial Liabilities	11(c)	79.84	-
(b) Provisions	12	197.90	177.05
(c) Deferred Tax Liabilities (Net)	4	113.66	109.43
		864.71	848.74
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13(a)	12.50	1,429.40
(ii) Trade Payables	11(b)		
Total Outstanding dues of Micro, Small and Medium Enterprise		5.44	-
Total Outstanding dues of creditors other than Micro, Small and Medium Enterprise		430.49	505.86
(iii) Other Financial Liabilities	13(b)	185.53	100.40
(b) Other Current Liabilities	14	4,873.65	3,629.01
(c) Provisions	15	16.63	15.67
		5,524.24	5,680.35
Total Liabilities		6,388.95	6,529.09
Total Equity and Liabilities		9,551.99	9,862.19

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 ICAI Reg. No. 302113E

N. R. Agarwal

N. R. Agarwal

Company Secretary

For and on behalf of the Board of Directors

R. K. Agarwal

A. B. Agarwal

Directors

Place : Kolkata

Date : 30-05-2019



HINDUSTHAN UDYOG LTD**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2019**

CIN No.: L27120WB1947PLC015757

(' In lakhs)

Particulars	Notes	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
I. Revenue from Operations	16	1,636.80	2,634.69
II. Other Income	17	471.96	377.10
III. Total Revenue (I + II)		2,108.76	3,011.79
IV. Expenses:			
Cost of Materials Consumed	18	755.98	1,028.43
Excise Duty & GST		-	339.22
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	19	388.25	33.92
Employee Benefit Expenses	20	516.99	581.89
Finance Costs	21	140.47	146.84
Depreciation and Amortization Expense	22	111.29	123.73
Other Expenses	23	357.33	654.04
IV. Total Expenses		2,270.31	2,908.07
V. Profit/(Loss) before Tax & Exceptional Items and Tax (III - IV)		(161.55)	103.72
VI. Exceptional Item		-	-
VII. Profit/(Loss) before Tax (V - VI)		(161.55)	103.72
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)		(161.55)	103.72
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		1.02	6.01
→ Remeasurement of Defined benefit Plans		(5.30)	5.67
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(4.23)	(0.70)
(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)		(170.06)	114.70
Earnings per Equity Share (for Continuing Operation):	24.7		
(1) Basic		(2.25)	1.45
(2) Diluted		(2.25)	1.45

Significant Accounting Policies & Other Notes

1824

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

For and on behalf of the Board of Directors

V. V. Agarwal

PA Pooja Agarwal

Shikha Ray

Company Secretary

Directors

N.R. Agarwal

Chartered Accountant

Place: Kolkata

Date : 30-05-2019



HINDUSTHAN UDYOG LTD*Cash Flow Statement for the year ended 31.03.2019*

(₹ in lakhs)

PARTICULARS	For the year ended 31.03.2019 ₹	For the year ended 31.03.2018 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	(161.55)	103.71
<i>Adjustment for:</i>		
Depreciation & Amortisation	111.29	123.73
Interest Expense	140.47	146.84
Interest Income	(58.54)	(50.35)
Provisions	16.50	(135.15)
Dividend Income	(154.47)	(77.38)
Profit on sale of Shares	(0.06)	(2.71)
(Profit)/Loss on Sale of Property, Plant and Equipment	-	(0.80)
Operating Profit before Working Capital Changes	(106.35)	107.89
Movements in Working Capital :		
Increase/(Decrease) in Trade Payables	(70.44)	(35.68)
Increase/(Decrease) in Other Current Liabilities	(105.36)	2,918.32
(Increase)/ Decrease in Inventories	363.18	71.82
(Increase)/ Decrease in Trade Receivables	154.83	567.07
Increase/ (Decrease) in Other Current Financial Liabilities	75.27	3.40
(Increase)/Decrease in Other Current Assets	437.17	(3,473.31)
(Increase)/Decrease in Other Non-Current Financial Assets	(14.27)	28.88
(Increase)/Decrease in Other Non-Current Assets	0.00	23.30
(Increase)/Decrease in Other Current Financial Assets	(14.47)	(29.07)
Cash generated from/(used in) Operations	719.57	182.61
Direct Taxes Paid (Net)	(28.82)	(50.21)
Net Cash from Operating Activities	690.75	132.40
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Property, Plant and Equipment	6.04	12.64
Interest Received	11.45	4.33
Dividend Received	154.47	77.38
(Purchase)/Sale of Investments (Net)	1.00	17.79
Purchase of Property, Plant and Equipment	(13.68)	(54.52)
Increase/Decrease in Bank Deposits	-	-
Net Cash from Investing Activities	159.27	57.61



HINDUSTHAN UDYOG LTD**Cash Flow Statement for the year ended 31.03.2019**

(' in lakhs)

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(92.10)	(100.52)
Repayment		
Proceeds/(Repayment) of Long Term Borrowings	-	11.58
Proceeds/(Repayment) of Short Term Borrowings	(66.91)	(148.83)
Net Cash from Financing Activities	(159.00)	(237.77)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	691.02	(47.76)
Cash and Cash Equivalents at the beginning of the year	52.72	100.48
Cash and Cash Equivalents at end of the year	743.74	52.72

PARTICULARS	As At 31.03.2019	As At 31.03.2018
Cash & Cash Equivalents:		
Balances with Bank		
Current Account	729.39	44.24
Cash on Hand	14.34	8.48
Total	743.74	52.72

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

For and on behalf of the Board of Directors

Nirmal Raju Nayak
Firm ICAI Reg. No. 302113E

[Signature]

N. R. H. J. 10
Chartered Accountant
Membership No. 10

[Signature]

PA Prem Lal Agarwal.

Company Secretary

Directors

Place : Kolkata

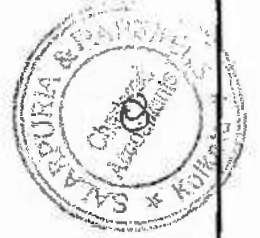
Date: 30-05-2019



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

STATEMENT OF CHANGES IN EQUITY	Note No.	RESERVES & SURPLUS						OTHER COMPREHENSIVE INCOME		Total Equity Attributable to Equity Holders of the Company
		Securities Premium	Revaluation Surplus	General Reserve	Special Capital Incentive	Capital Reserve	Retained Earnings	Fair Value Gain/(Loss) on Equity Instruments	Remeasurement of Defined Benefit Plans	
Balance as on 01.04.2017		138.41	48.45	121.62	30.00	3,908.28	(2,139.95)	434.90	(19.20)	2,522.51
Transfer to Retained Earning		-	-	-	-	-	-	-	-	-
Earlier adjusted from Revaluation Reserve		-	-	-	-	-	-	-	-	-
Profit for the year 2017-18		-	-	-	-	-	103.72	-	-	103.72
Rectification of Errors		-	-	-	-	-	-	-	-	-
Changes in Accounting Policies		-	-	-	-	-	-	-	-	-
Prior Period Errors		-	-	-	-	-	(21.77)	-	-	(21.77)
Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	5.67	5.67
Changes in Fair Value of Investment		-	-	-	-	-	-	6.01	-	6.01
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	(0.70)	-	(0.70)
Restated Balance at 31st March, 2018		138.41	48.45	121.62	30.00	3,908.28	(2,058.00)	440.21	(13.53)	2,615.43
Profit for the year 2018-19		-	-	-	-	-	(161.55)	-	-	(161.55)
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		-	-	-	-	-	-	-	(5.30)	(5.30)
Changes in Fair Value of Investment		-	-	-	-	-	-	1.02	-	1.02
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	(4.23)	-	(4.23)
Balance as at 31st March, 2019		138.41	48.45	121.62	30.00	3,908.28	(2,219.55)	437.00	(18.83)	2,445.37



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.

1) 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 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, 2019 have been approved by the Board of Directors of the Company in their meeting held on May, 2019.

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.



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) 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 amount.



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.



VII) 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.

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.

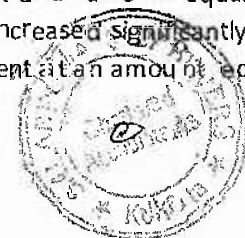
Expected credit losses of a financial instrument is measured in a way that reflects:

- 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.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

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

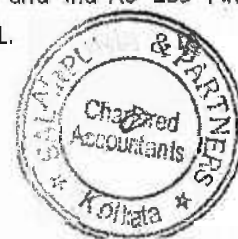
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

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.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

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.

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 are subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

XV) 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.

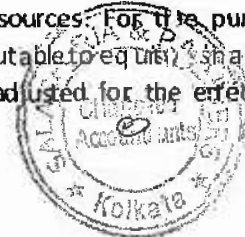
XVII) Dividend

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 for FY 2018-19

NOTE 2: PROPERTY, PLANT & EQUIPMENT

Particulars	PROPERTY, PLANT & EQUIPMENT								(₹ In lakhs)	
	Freehold Land	Leasehold Land**	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings	Total	
Gross block										
Gross Carrying Amount As At 1st April, 2018	193.63	166.84	569.52	515.74	0.84	31.92	70.78	43.35	1,592.64	
Additions during the year	-	-	-	8.42	0.18	-	-	5.95	14.55	
Reclassification made during the year	-	-	-	-	-	-	-	-	-	
Disposals/deductions during the year	-	-	-	(9.00)	-	-	-	-	(9.00)	
Gross carrying amount as at 31st March, 2019	193.63	166.84	569.52	515.16	1.02	31.92	70.78	49.31	1,598.19	
Depreciation /Amortisation										
Accumulated depreciation/amortisation as at 1st April, 2018	-	2.92	59.14	122.92	0.72	22.35	28.43	15.47	251.96	
Depreciation/ amortisation for the year	-	1.46	28.36	55.86	0.15	5.62	13.19	6.65	111.29	
Reclassification made during the year	-	-	-	-	-	-	-	-	-	
Disposals/deductions during the year	-	-	-	(2.96)	-	-	-	-	(2.96)	
Accumulated depreciation as at 31st March, 2019	-	4.38	87.50	175.82	0.87	27.97	41.62	22.12	360.29	
Net carrying amount as at 31st March, 2019	193.63	162.46	482.02	339.34	0.15	3.95	29.16	27.19	1,237.90	

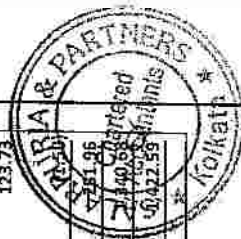
The changes in the carrying value of property, plant and equipment for the year ended March 31, 2018 were as follows:

Particulars	PROPERTY, PLANT & EQUIPMENT								(₹ In lakhs)	
	Freehold Land	Leasehold Land**	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings	Total	
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										
Opening 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	53.87	0.21	16.89	14.33	7.91	123.73	
Reclassification made during the year	-	-	-	-	-	-	-	-	-	
Disposals/deductions during the year	-	-	-	(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	1,340.88	
Net carrying amount as at 1st April, 2017	193.63	165.29	599.55	439.47	0.33	26.39	31.23	26.71	1,340.88	

* 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

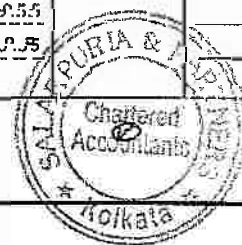
Notes to Standalone Financial Statement As At 31.03.2019

(₹ in lakhs)				
Note : 3 FINANCIAL ASSETS	No. of Shares	As At 31.03.2019 ₹	No. of Shares	As At 31.03.2018 ₹
(A) INVESTMENTS (Measured at fair value through Other Comprehensive Income)				
(i) Investment in Equity Instrument (Quoted)				
1) Tea Time Ltd.	1,14,000	100.13	1,14,000	100.13
2) Phosphate Co. Ltd.	26,400	41.64	26,400	41.64
3) Northern Projects Ltd.	1,39,900	112.83	1,39,900	112.83
4) Asutosh Enterprises Ltd.	1,50,000	55.85	1,50,000	55.85
5) Neptune Exports Ltd.	2,30,500	138.25	2,30,500	138.25
6) Orient International Ltd.	1,65,000	47.22	1,65,000	47.22
7) Bengal Steel Industries Ltd.	3,45,000	69.03	3,45,000	69.03
8) WPL Ltd. (Associate)	38,61,659	357.48	38,61,659	357.48
9) Ador Welding Ltd.	-	-	-	-
10) Parsvnath Developers Ltd.	-	-	8,000	1.19
Total (i)		922.43		923.62
(ii) Investment in Equity Instrument (Unquoted)				
1) Hindusthan Parsons Ltd.	5,00,000	57.30	5,00,000	56.20
2) H. S. M. International Pvt. Ltd.	1,52,500	7.46	1,52,500	7.47
3) Tamilnadu Alkaline Batteries Ltd.	3,00,000	3.00	3,00,000	3.00
4) Spaans Babcock India Ltd. (Associate)	25,000	2.50	25,000	2.50
5) Bengal Central Building Society Ltd.	10,000	0.56	10,000	0.59
6) Kabin Papers Ltd., in Liquidation	42,135	-	42,135	-
7) AKA Washeries India Pvt. Ltd.	2,000	0.02	2,000	0.02
8) Huwood Hindusthan Pvt. Ltd.	2,000	1.21	2,000	1.00
9) Macneill Electricals Ltd.	918	0.01	918	0.01
10) V N Enterprises Limited	-	-	-	-
Total (ii)		72.05		70.79
(iii) Investment in Govt. Securities (NSC)		0.15		0.15
Total (i + ii + iii)		994.63		994.55

	As at 31st March 2019		As at 31st March 2018	
	Cost	Market Value	Cost	Market Value
	₹	₹	₹	₹
Aggregate value of Quoted Investments	389	32,140.59	410	20,243.22

(B) TRADE RECEIVABLES	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Current Portion	682.60	837.44
Non- Current Portion	-	-
	682.60	837.44
Considered Good - Secured	-	-
Considered Good - Unsecured	682.60	837.44
Having Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Doubtful	44.46	44.46
Total	727.06	881.90
Loss Allowance	(44.46)	(44.46)
Total Unsecured Trade Receivable	682.60	837.44

(C) OTHER NON CURRENT FINANCIAL ASSETS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Bank Deposits with Maturity more than 12 months	5.29	5.29
Total Non Current Other Non Financial Assets	5.29	5.29



HINDUST HANUDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 4 DEFERRED TAX (NET)	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Deffered Tax Asset/ (Liability)	(113.66)		(109.43)
Total	(113.66)		(109.43)

Note : 5 OTHER NON CURRENT ASSETS	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Advances - Non Current	1.27		1.27
Mat Credit Entitlement	11.47		11.47
Security Deposits	78.57		78.57
Total	91.30		91.30

Note : 6 INVENTORIES	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Raw Material	426.65		557.76
Work In Progress	319.43		709.72
Finished Goods	-		-
Tools & Implements	196.89		38.67
Traded Goods	-		-
Total	942.97		1,306.15



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 7(A) CASH AND CASH EQUIVALENT	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Balances with Bank		
- In Current Account	729.39	44.24
Cash on Hand	14.34	8.48
Total	743.74	52.72

Note : 7(B) OTHER CURRENT FINANCIAL ASSETS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Accrued Interest	0.14	0.14
Bank Deposits with Maturity more than 3 months less than 12 months	43.54	29.07
Total	43.68	29.22

Note : 8 CURRENT TAX ASSET (NET)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Advance payment of Income Tax (Net)	136.80	107.97
Advance Sales Tax	2.57	2.57
Total	139.36	110.54

Note : 9 OTHER CURRENT ASSETS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Advances to Staff (Unsecured- Considered Good)	8.68	7.01
Advances to Others	4,631.03	5,055.15
Security Deposit	12.79	12.79
Prepaid Expenses	3.52	6.62
Service Tax Receivable	-	0.16
Other Receivables	0.24	11.69
Total	4,656.26	5,093.43



HINDUSTHANUDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

(₹ in lakhs)

Note: 10 (A) STATEMENT OF CHANGES IN EQUITY	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(A) I Equity Share Capital		
Authorised Shares		
485,00,000 Equity Shares of ₹ 10/- each	4,850.00	4,850.00
60,00,000 10% Cumulative Redeemable Preference shares of ₹ 10/- each	600.00	600.00
	<u>5,450.00</u>	<u>5,450.00</u>
Issued, Subscribed & Paid-Up Shares		
71,76,725 Equity Shares of ₹ 10/- each, fully paid	717.67	717.67
Total	<u>717.67</u>	<u>717.67</u>

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

Equity Shares	Nos.	As At 31.03.2019 ₹	Nos.	As At 31.03.2018 ₹
At the beginning of the period	71,76,725	718	71,76,725	718
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>71,76,725</u>	<u>718</u>	<u>71,76,725</u>	<u>718</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 31.03.2019 % Holding in the Class	Nos.	As at 31.03.2018 % Holding in the Class
Equity Shares of ₹ 10/- Each				
1. V.N. Enterprises Limited	16,59,625	23.13	16,59,625	23.13
2. Poonam Jhaver	10,00,000	13.93	10,00,000	13.93
3. Bengal Steel Industries Limited	5,98,600	8.34	5,98,600	8.34
4. Tea Time Limited	5,94,600	8.29	5,94,600	8.29
5. Neptune Exports Limited	5,90,400	8.23	5,90,400	8.23
6. Orient International Limited	5,46,850	7.62	5,46,850	7.62
7. Asutosh Enterprises Limited	4,57,500	6.37	4,57,500	6.37
8. Prakash Agarwal	5,16,200	7.19	5,16,200	7.19

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 31.03.2019

(₹ in lakhs)

Note : 10 (B) OTHER EQUITY	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(a) Security Premium		
As per Last Balance Sheet	138.41	138.41
(b) Revaluation Surplus		
As per Last Balance Sheet	48.45	48.45
Less : Transferred to Retained Earnings	-	-
Closing Balance	48.45	48.45
(c) General Reserve		
As per Last Balance Sheet	121.62	121.62
(d) Special Capital Incentive		
As per Last Balance Sheet	30.00	30.00
(e) Capital Reserve		
As per Last Balance Sheet	3,908.28	3,908.28
(f) Retained Earnings		
As per Last Balance Sheet	(2,036.24)	(2,139.95)
Add: Transfer from Revaluation Surplus	-	-
Profit for the Year	(161.55)	103.72
Closing Balance	(2,197.78)	(2,036.24)
(g) Other Comprehensive Income		
As per Last Balance Sheet	426.68	415.70
Effect of Conversion to Ind AS		
Movement in OCI during the year	(8.51)	10.98
Closing Balance	418.17	426.68
Total	2,467.15	2,637.21

Nature and Purpose of Reserve**a) Securities Premium**

Securities Premium is the premium on issue of equity shares. The reserve will be utilised in accordance with the provision of the Act.

b) Revaluation Surplus

Revaluation Reserve arises on account of revaluation of Land.

c) General reserve

General reserves is part of retained earnings of company which are kept aside out of company's profits to meet future obligations.

d) Special Capital Incentive

Special Capital arises on account of Business Combination.

e) Capital Reserve

Capital Reserve arises on account of Business Combination.

f) Retained Earnings

Retained Earnings is the present accumulated profits/(losses) earned the Company and remaining undistributed as on date.

g) FVTOCI Reserve

The Company has elected to recognise changes in the fair value of investments in equity instruments along with remeasurement of Defined Benefit plans through other comprehensive income. This changes are accumulated within the FVTOCI Reserve.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

(₹ in lakhs)

NOTE 11 - FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(A) BORROWINGS		
Unsecured Preference Shares	472.14	561.09
Deferred Sales Tax Loan	1.17	1.17
Total	473.31	562.26

NOTE 11 - FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(B) TRADE PAYABLES		
CURRENT		
Trade Payables		
~Total Outstanding Dues to Micro and Small Enterprises*	5.44	-
~Total Outstanding dues of Creditors other than Micro Enterprise & Small Enterprises*	430.49	505.86
Total	435.93	505.86
NON-CURRENT		
Retention Payable to Contractor	-	-
Total	-	-

Particulars	As At 31.03.2019 ₹	As At 31.03.2018 ₹
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).	5.44	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
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
The amount of interest accrued and remaining unpaid at the end of accounting year	0.52	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



HINDUSTHAN UDYOG LTD*Notes to Standalone Financial Statement As At 31.03.2019*

(₹ in lakhs)

NOTE 11: FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(C) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	79.84	-
Total	79.84	-

Note - 12 LONG TERM PROVISIONS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Provision for Employee Benefits		
– Provision for Gratuity	164.26	145.90
– Provision for Leave Encashment	33.64	31.15
Total	197.90	177.05



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2019

(₹ in lakhs)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(A) BORROWINGS		
Loans Repayable on demand (Unsecured)		
• From Banks		
– Cash Credit Facilities (Secured)	-	49.82
Inter Corporate Deposits (Unsecured)	-	1,350.00
Vehicle Loan		
(i) From Banks *	12.50	29.58
Total	12.50	1,429.40

* 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 5 No. of Installments)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(B) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	45.56	35.69
Interest on ICD Payable	90.88	17.98
Advances from Customers	-	-
Other Payables	2.75	2.38
Payable to Employees	46.35	44.35
Total	185.53	100.40

Note : 14 : OTHER CURRENT LIABILITIES	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Advance from Customers	3.00	9.37
Deposits From Contractors	4.88	4.88
Statutory Dues Payable		
– Provident Fund	4.68	8.01
– Employee State Insurance Fund & Labour Welfare Fund	1.05	1.89
– Goods & Services Tax		
* C. G. S. T. Payable	7.55	8.03
* S. G. S. T. Payable	7.55	8.03
* I. G. S. T. Payable	20.50	112.81
– Tax Deducted At Source	5.58	7.33
– Professional Tax	0.87	0.65
Advance From Others*	4,818.02	3,468.02
Total	4,873.65	3,629.01
* Includes from WPIL Limited (Associate)	4,200.00	2,850.00

HINDUSTHAN UDYOG LTD*Notes to Standalone Financial Statement As At 31.03.2019*

(₹ in lakhs)

Note: 15 SHORT TERM PROVISIONS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Provision for Employee Benefits		
— Provision for Gratuity	14.12	12.97
— Provision for Leave Encashment	2.51	2.70
Other Short Term Provision (Trade & Other Issues)	-	-
	-	-
Total	16.63	15.67



HINDUSTHAN UDYOG LTD*Notes to the Standalone Financial Statement for the Year Ended 31.03.2019*

(₹ in lakhs)

Note : 16 REVENUE FROM OPERATIONS	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
A) Revenue from Sale of Products	1,628.03	2,632.95
Sub Total (A)	1,628.03	2,632.95
B) Other Operating Revenues		
Scrap Sales	8.77	1.74
Sub Total (B)	8.77	1.74
Total (A + B)	1,636.80	2,634.69

Note : 17 OTHER INCOME	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
(a) <u>Interest Income</u>		
– Of Preference Share amortised through FVTPL	47.09	46.03
(b) <u>Dividend Income</u>		
– Dividends from quoted equity investments measured at fair value through OCI*	-	0.15
– Dividends from Associate Companies	154.47	77.23
(c) <u>Other Non Operating Income</u>		
– Income From Security Deposits	3.03	3.23
– Income From Fixed Deposit	8.42	1.10
– Profit From Sale of Property Plant & Equipment (Net)	-	0.80
– Lease Rent	239.51	189.51
– Profit on Foreign Exchange Fluctuation	3.17	2.58
– Sundry Balances Written Back (Net)	0.50	29.10
– Sale of Export Licence	-	24.66
– Misc. Receipts	15.72	-
(d) <u>Other Gains & Losses</u>		
– Profit on Sale of Shares measured at FVTPL	0.06	2.71
Total	471.96	377.10



HINDUSTHAN UDYOG LTD*Notes to the Standalone Financial Statement for the Year Ended 31.03.2019*

(₹ In lakhs)

Note : 18 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Raw Material Consumed	331.54	467.36
Stores Consumed	227.23	347.19
Power & Fuel	197.21	213.83
Carriage Inward	-	0.05
Total	755.98	1,028.43

Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SALEABLE SCRAP	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Stock at the Beginning of the Year		
Finished Goods	-	119.49
Work-in-Progress	707.68	622.11
Saleable Scrap	-	-
Total	707.68	741.61
Stock at the End of the year		
Finished Goods	-	-
Work-in-Progress	319.43	707.68
Saleable Scrap	-	-
	319.43	707.68
Changes in Inventories of Finished Goods, Work in Progress and Saleable Scrap	388.25	33.92

Note : 20 EMPLOYEE BENEFIT EXPENSES	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Salary, Wages, Bonus & Allowances*	436.36	479.54
Contribution to Provident Fund, Gratuity, ESI & Other Fund	66.52	80.13
Staff Welfare Expenses	14.12	22.21
Total	516.99	581.89

* Includes Director's Remuneration of ₹ 30,00,000 (P.Y. - ₹ 16,50,000)



HINDUSTHAN UDYOG LTD*Notes to the Standalone Financial Statement for the Year Ended 31.03.2019*

Note : 21 FINANCE COSTS	(₹ in lakhs)	
	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Interest		
(i) <u>Interest cost on Financial Liabilities measured at amortized cost</u>		
– on borrowings from banks	92.10	100.52
– on MSME dues	0.52	-
– on preference shares calculated as per Effective Interest Method	47.86	46.33
Total	140.47	146.84

Note : 22 DEPRECIATION & AMORTISATION EXPENSE	(₹ in lakhs)	
	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Depreciation on Property, Plant & Equipment	111.29	123.73
Total	111.29	123.73



HINDUSTHAN UDYOG LTD*Notes to the Standalone Financial Statement for the Year Ended 31.03.2019***(₹ in lakhs)**

Note : 23 OTHER EXPENSES	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
	₹	₹
Component Processing Expense	106.41	243.23
Selling & Distribution Expenses		
Freight & Transportation	28.06	52.78
Advertisement & Sales Promotion	0.22	0.72
Rates & Taxes	15.12	30.22
Repairs & Maintenance		
Repairs to Plant & Machinery	20.61	39.24
Repairs to Others Assets	5.76	9.70
Travelling Expenses		
Inland Travelling	3.93	33.22
Foreign Travelling	3.17	6.70
Auditors' Remuneration		
- Audit Fees	2.95	1.65
- Tax Audit Fees	0.25	-
- Certification/Limited Review Fees	-	-
Commission, Discount & Rebates	19.61	3.47
Legal & Professional	8.06	-
Inspection & Testing Expense	-	0.07
Excise Duty	-	(6.66)
Sales Tax	-	0.71
Service Tax	-	0.01
Swachh Bharat Cess	-	0.00
Krishi Kalyan Cess	-	0.00
CGST	-	(8.55)
SGST	-	(8.55)
IGST	-	(2.49)
Director Meeting Fees	0.20	0.20
Service Charges	32.45	57.45
Liquidated Damages	9.23	23.89
Electricity Charges	1.69	4.69
Factory Electric Charges	0.98	-
Rent	14.62	25.10
Factory Godown Rent	3.16	-
Bank Charges	4.46	3.21
Provision for Doubtful Debts	-	44.46
Conveyance Charges	5.17	5.92
Export Licence	-	24.66
Vehicle Maintenance	13.37	14.23
Service Tax Input Written Off	-	17.97
Sundry Balances Written Off	28.68	-
Printing & Stationery	1.58	2.38
Postage, Telegram & Telephone	3.09	6.62
Insurance	5.13	7.35
Listing Fees	3.25	3.01
Bad Debts	3.30	-
Donation & Subscription	1.84	2.36
Miscellaneous Expenses	11.00	15.07
Total	357.33	654.04



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note: 24 NOTES**24.1 Contingent Liabilities**

- a) Letters of Guarantee outstanding as at 31.03.2019 is ₹ 43.77 Lacs (Previous Year - ₹ 38.43 Lacs)
- b) Claim not acknowledged as debts: - Disputed demand for Sales Tax ₹ 131.32 Lacs (Previous Year - ₹ 131.32 Lacs) appealed against.
- c) VAT Case filed for the year 2007-08 of Rs 62.70 Lakhs

24.2 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. Premlata Agarwal Director- Wife of Mr. V.N. Agarwal
- d) Mrs. Ritu Agarwal* Director - Wife of Mr. Prakash Agarwal

Entreprise Having Significant Influence

V.N. Enterprise Limited
Macneill Electricals Limited

Associate Company

WPIL Limited (WPIL)
Spaans Babcock India Ltd.

ii) Transactions with Related Parties

(₹ in lakhs)

	WPI ₹	MP ₹
Sales & Services	1,014.61 (1,846.53)	-
Purchases	32.79 (14.59)	-
Dividend Receipts	154.47 (77.23)	-
Lease Rent Receipts	215.40 (132.00)	-
Managerial Remuneration- Mr. V.N. Agarwal	-	30.00 (16.50)
Directors Sitting Fees	-	0.20 (0.20)
Trade Receivables	203.16 (416.20)	-

* All receivables and payables are subject to confirmation.



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Details of Advances Given and Received During the year from Related Parties

(₹ in lakhs)

Name	Transactions	As At 31.03.2019 ₹	As At 31.03.2018 ₹
WPIL Limited	Opening Balance	2,850.00	-
	Capital Advance Taken	1,350.00	2,850.00
	Advance Refunded	-	-
	Closing Balance	4,200.00	2,850.00
V.N. Enterprises Limited	Opening Balance	3,228.25	393.25
	Performance Deposit Given	1,438.01	2,852.17
	Advance Refunded	366.26	17.17
	Closing Balance	4,300.00	3,228.25
Spaans Babcock India Ltd.	Opening Balance	-	-
	Advance Given	38.25	3.25
	Advance Refunded	38.25	3.25
	Closing Balance	-	-
Macneill Electricals Limited	Opening Balance	1,045.00	595.50
	Advance Given	111.50	449.50
	Advance Refunded	1,156.50	-
	Closing Balance	-	1,045.00

*Resigned with effect from 28.09.2018

24.3 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	₹ In Lakhs
(i) Revenue by Geographical Market	
- In dia	1,059.05
- Outside India	568.97
	1,628.03

24.4 Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2019. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2019.

24.5 The company has received an advance of ₹ 4,200 Lakhs from WPIL Limited for transferring of its Alloy and Stainless Steel Casting foundry unit in Nagpur. The necessary approval and formalities for the acquisition is pending no adjustment has been made in the financials.



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

24.6 FAIR VALUE MEASUREMENTS**(i) Financial instruments by category**

		(₹ in lakhs)	
	Particulars	As At 31.03.2019 ₹	As At 31.03.2018 ₹
A.	Financial Assets		
I.	Measured at fair value through other comprehensive income (FVTOCI)		
	Investments	994.63	994.55
II.	Measured at amortised cost		
	Trade Receivables	682.60	837.44
	Cash & Cash Equivalents	743.74	52.72
A.	Financial Liabilities		
I.	Measured at amortised cost		
	Borrowings	485.81	1,991.66
	Trade Payables	-	-
	Other Financial Liabilities	185.53	100.40

(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.

		(₹ in lakhs)		
Particulars	Carrying Value	Level 1	Level 2	Level 3
Measured at fair value through Other Comprehensive Income (FVTOCI)				
As at 31st March 2019				
Investments	388.85	922.43	-	-
As at 31st March 2018				
Investments	410.08	923.62	-	-
Measured at amortised cost for which fair value is disclosed				
As at 31st March 2019				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 31st March 2018				
Deferred Sales Tax Loan	1.17	-	-	1.17

HINDUSTHAN UDYOG LTD**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

- 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 but have been extended for a period of 3 Years i.e, 9th January, 2022.

24.8 Earnings Per Share

Particulars	2017-18	2018-19
Earnings available for Equity Shareholder	103.72	(161.55)
Weighted Average Number of Equity Shares	7176725	7176725
Earnings Per Share (basic/diluted)	1.45	(2.25)



HINDUSTHAN UDYOG LTD**Notes to the Standalone Financial Statements****24.9 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 2019	31st March 2018	31st March 2019	31st March 2018
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
1. Change in the Defined Benefit Obligation				
- Defined Benefit Obligation as at the beginning	0.00	208.18	33.85	50.13
- Current Service Cost	9.08	8.84	2.15	1.14
- Interest Expense or Cost	12.05	13.02	2.57	3.61
- Actuarial (gains)/ losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	3.57	(4.71)	0.56	(0.80)
experience variance	1.73	(0.96)	(0.84)	(4.01)
- Past Service Cost	-	0.75	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Benefits paid	(6.93)	(38.87)	(2.14)	(16.20)
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
- Present Value of Obligation as at the end	19.50	186.26	36.15	33.85
2. Expenses recognised in the statement of Profit & Loss				
- Current Service Cost	9.08	8.84	2.15	1.14
- Interest Expense or Cost	12.05	13.02	2.57	3.61
- 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	21.13	22.62	4.72	4.75
3. Other Comprehensive Income				
- Actuarial (gains)/ losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	3.57	(4.71)	0.56	(0.80)
experience variance	1.73	(0.96)	(0.84)	(4.01)
Total	5.30	(5.67)	(0.28)	(4.82)
4. Actuarial Assumptions				
(a) Financial Assumptions				
Discount rate p.a	7.30%	7.40% - 7.60%	7.30%	7.40% - 7.60%
Salary growth rate p.a	5.00%	5.00%	5.00%	5.00%

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

FORSALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

Form ICAI Reg. No. 302113E

N.R.N. & Co.
Chartered Accountants
Membership No. 57440
Pune

Shikha Bhatia
Company Secretary

For and on behalf of the Board of Directors

Umesh Agarwal
Prem Lal Agarwal

Place: Kolkata

Date: 30-05-2019

Directors



SALARPURIA & PARTNERS
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Fax No. : (033) 2225 0992
E-mail : salarpuria.jajodia@rediffmail.com

HINDUSTHAN UDYOG LIMITED

**CONSOLIDATED BALANCE SHEET,
CONSOLIDATED STATEMENT OF PROFIT & LOSS
AND CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2019**



Salarpuria & Partners

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INDEPENDENT AUDITOR'S REPORT

To The Members of Hindusthan Udyog Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Hindusthan Udyog Limited (hereinafter referred to as the 'Holding Company'), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, and its associates as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company, and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Mahana di Coalfields Ltd. For recovery of ₹ 91.93 lacs at Cuttack High court for which no provision has been made in the accounts.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.





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Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statement.

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the company and of its associates entities are responsible for assessing the ability of Company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company and of its associates are responsible for overseeing the financial reporting process of the Company and of its associates.





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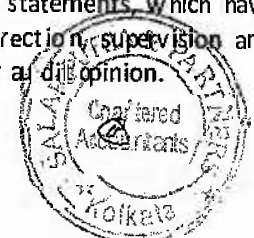
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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.





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We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

(a) The consolidated financial statements also include the Company's share of net profit of ₹ 49,67,39,702 and Other Comprehensive Income of ₹ (2,81,86,880) for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. This financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the preparation of the Consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associates company incorporated in India, none of the directors of the company, its associates companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.





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- (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-A".
- (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:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements – Refer Note 24.1 to the Consolidated Ind AS Financial Statements.
- (ii) The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Salarpuria & Partners

Chartered Accountants

Firm ICAI Reg. No. 302113E

Nihar Ranjan Nayak

N. R. Nayak
Chartered Accountant
Membership No. 57676
Partner

Place: Kolkata

Date: 30.05.2019





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ANNEXURE 'A' 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 to the members of Hindusthan Udyog Limited for the year ended 31st March, 2019)

We have audited the internal financial controls over financial reporting of Hindusthan Udyog Limited ("the Holding Company") and its associates as of 31st March, 2019 in conjunction with our audit of the Consolidated 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, 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 control system over financial reporting.





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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 Consolidated Ind AS 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 Holding Company, its Associates 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, 2019, 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 Associate company, which are company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

For Salarpuria & Partners

Chartered Accountants

Firm ICAI Regn. No. 302113E
Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant
Membership No. 50000
Partner

Place: Kolkata.

Date: 30.05.2019



HINDUSTHAN UDYOG LTD
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019
CIN No.: L27120WB1947PLC015767

		(' In lakhs)	
ASSETS	Notes	As At 31.03.2019	As At 31.03.2018
(1) NON CURRENT ASSETS			
(a) Property, Plant and Equipment	2	1,237.90	1,340.68
(b) Capital Work In Progress		-	0.87
(c) Financial Assets			
(i) Investments	3(a)	15,897.80	11,366.66
(ii) Trade Receivables	3(b)	-	-
(iii) Others	3(c)	19.55	5.29
(d) Deferred Tax Assets (Net)	4	-	-
(e) Other Non- Current Assets	5	91.30	91.30
Total (a)		17,246.55	12,804.80
(2) CURRENT ASSETS			
(a) Inventories	6	942.97	1,306.15
(b) Financial Assets			
(i) Trade Receivables	3(b)	682.60	837.44
(ii) Cash & Cash Equivalents	7(a)	743.75	52.72
(iii) Others	7(b)	43.68	29.22
(c) Current Tax Asset (Net)	8	139.36	110.54
(d) Other Current Assets	9	4,656.26	5,093.43
Total (b)		7,208.62	7,429.50
Total Assets		24,455.17	20,234.30

		(' In lakhs)	
EQUITY AND LIABILITIES	Notes	As At 31.03.2019	As At 31.03.2018
(1) EQUITY			
(a) Share Capital	10(A)	717.67	717.67
(b) Other Equity	10(B)	17,348.54	12,987.54
Total Equity		18,066.21	13,705.21
(2) LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11(a)	473.32	562.26
(ii) Other Financial Liabilities	11(c)	79.85	-
(b) Provisions	12	197.90	177.05
(c) Deferred Tax Liabilities (Net)	4	113.66	109.43
		864.72	848.74
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13(a)	12.50	1,429.40
(ii) Trade Payables	11(b)	-	-
Total Outstanding dues of Micro, Small and Medium Enterprise		5.44	-
Total Outstanding dues of creditors other than Micro, Small and Medium Enterprise		430.49	505.86
(iii) Other Financial Liabilities	13(b)	185.53	100.40
(b) Other Current Liabilities	14	4,873.65	3,629.02
(c) Provisions	15	16.63	15.67
		5,524.24	5,680.35
Total Liabilities		6,388.96	6,529.09
Total Equity and Liabilities		24,455.17	20,234.30

Significant Accounting Policies & Other Notes

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 Kumar Nayak

N. R. Hazare
 Chartered Accountant
 Membership No. 12345

Place: Kolkata
 Date: 30.05.2019



Sukh Bajaj

Company Secretary

1 & 24

For and on behalf of the Board of Directors

Umesh Agarwal
 Rem Lal Agarwal

Directors

HINDUSTHAN UDYOG LTD**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2019****CIN No.: L27120WB1947PLC015767**

(' In lakhs)

Particulars	Notes	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
I. Revenue from Operations	16	1,636.80	2,634.69
II. Other Income	17	317.49	299.86
III. Total Revenue (I + II)		1,954.29	2,934.55
IV. Expenses:			
Cost of Materials Consumed	18	755.98	1,028.43
Excise Duty & GST		-	339.22
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	19	388.25	33.92
Employee Benefit Expenses	20	516.99	581.89
Finance Costs	21	140.47	146.84
Depreciation and Amortization Expense	22	111.29	123.73
Other Expenses	23	357.33	654.04
IV. Total Expenses		2,270.31	2,908.07
V. Profit/(Loss) before Tax & Exceptional Items and Tax (III- IV)		(316.02)	26.48
VI. Profit from Associate Company		4,967.40	1,567.44
VII. Exceptional Item		-	-
VIII. Profit/(Loss) before Tax (V -VI)		4,651.38	1,593.92
IX. Tax Expense:			
1. Current Tax			
2. Tax for earlier years (Net)			
3. Deferred Tax			
Net Current Tax (VIII)		-	-
X. Profit/(Loss) for the Period (VII- VIII)		4,651.38	1,593.92
XI. 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		1.02	6.01
→Remeasurement of Defined benefit Plans		(5.30)	5.67
Share of OCI of Associates		(281.87)	(117.78)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(4.23)	(0.70)
(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			
XII. Total Comprehensive income for the period (IX +X)		4,361.00	1,487.12
Earnings per Equity Share (for Continuing Operation):	24.7		
(1) Basic		64.81	22.21
(2) Diluted		64.81	22.21

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



For and on behalf of the Board of Directors

Prem Lal Agarwal

N.R. Nayak
Chartered Accountant
Membership No. 127113
Partner

Shikha Bajori

Place : Kolkata

Company Secretary

Directors

Date: 30-05-2019

HINDUSTHAN UDYOG LTD

Consolidated Cash Flow Statement for the year ended 31.03.2019

(₹ in lakhs)

PARTICULARS	For the year ended 31.03.2019 ₹	For the year ended 31.03.2018 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	4,651.38	1,593.92
Adjustment for:		
Depreciation & Amortisation	111.29	123.73
Profit from Associate Company	(4,967.40)	(1,567.44)
Dividend Received	-	(0.15)
Interest	140.47	146.84
Interest Income	(58.54)	(50.35)
Provisions	16.50	(135.15)
Profit on sale of Shares	(0.06)	(2.71)
(Profit)/Loss on Sale of Property, Plant and Equipment	-	(0.80)
Operating Profit before Working Capital Changes	(106.35)	107.89
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	(70.44)	(35.68)
Increase/(Decrease) in Other Current Liabilities	(105.36)	2,918.32
(Increase)/ Decrease in Inventories	363.18	71.82
(Increase)/ Decrease in Trade Receivables	154.83	567.07
Increase/ (Decrease) in Financial Liabilities	75.27	3.40
(Increase)/Decrease in Other Current Assets	437.17	(3,473.31)
(Increase)/Decrease in Other Non-Current Financial Assets	(14.27)	28.88
(Increase)/Decrease in Other Non-Current Assets	0.00	23.30
(Increase)/Decrease in Other Current Financial Assets	(14.47)	(29.07)
Cash generated from/(used in) Operations	719.57	182.61
Direct Taxes Paid (Net)	(28.82)	(50.21)
Net Cash from Operating Activities	690.75	132.40
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Property, Plant and Equipment	6.04	12.64
Interest Received	11.45	4.33
(Purchase)/ Sale of Investments (Net)	1.00	17.79
Purchase of Property, Plant and Equipment	(13.68)	(54.52)
Dividend Received	154.47	77.38
Increase/Decrease in Bank Deposits	-	-
Net Cash from Investing Activities	159.28	57.61



HINDUSTHAN UDYOG LTD**Consolidated Cash Flow Statement for the year ended 31.03.2019**

(₹ in lakhs)

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(92.10)	(100.52)
Proceeds/(Repayment) of Long Term Borrowings	-	11.58
Proceeds/(Repayment) of Short Term Borrowings	(66.91)	(148.83)
Net Cash from Financing Activities	(159.00)	(237.77)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	691.02	(47.76)
Cash and Cash Equivalents at the beginning of the year	52.72	100.48
Cash and Cash Equivalents at end of the year	743.75	52.72

PARTICULARS	As At 31.03.2019	As At 31.03.2018
Cash & Cash Equivalents:		
Balances with Bank		
Current Account	729.40	44.24
Cash on Hand	14.34	8.48
Total	743.75	52.72

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
 Member ICAI Reg. No. 302113E
 Partner



For and on behalf of the Board of Directors

Prem Lalit Agarwal

Company Secretary

Directors

Place : Kolkata

Date: 30-05-2019

HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019.

STATEMENT OF CHANGES IN EQUITY	RESERVES & SURPLUS						OTHER COMPREHENSIVE INCOME			Total Equity	
PARTICULARS	Securities Premium Reserve	Revaluation Surplus	General Reserve	Special Capital Incentive	Capital Reserve	Retained Earnings	Fair Value Gain/(Loss) on Equity Instruments	Remeasurement of Defined Benefit Plans	Share of OCI of associates	Attributable to Equity Holders of the Company	Total Other Equity
Balance as on 01.04.2017	138.41	48.45	121.62	30.00	3,908.28	6,859.73	434.90	(19.20)	-	-	11,522.19
Transfer to Retained Earning	-	-	-	-	-	-	-	-	-	-	-
Earlier adjusted from Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Profit for the year 2017-18	-	-	-	-	-	1,593.92	-	-	-	-	1,593.92
Profit from Associate Company	-	-	-	-	-	-	-	-	-	-	-
Rectification of Errors	-	-	-	-	-	-	-	-	-	-	-
Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-
Prior Period Errors	-	-	-	-	-	(21.77)	-	-	-	-	(21.77)
Remeasurement of Net Defined (Liability)/Asset	-	-	-	-	-	-	-	-	(117.78)	-	(112.11)
Changes in Fair Value of Investment	-	-	-	-	-	-	-	5.67	-	-	5.67
Tax Effect on Fair Value of Investment	-	-	-	-	-	-	6.01	-	-	-	6.01
Restated Balance at 31st March, 2018	138.41	48.45	121.62	30.00	3,908.28	8,431.88	440.21	(13.53)	(117.78)	-	12,987.54
Profit for the year 2018-19	-	-	-	-	-	4,651.38	-	-	-	-	4,651.38
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-
Profit from Associate Company	-	-	-	-	-	-	-	-	-	-	-
Adjusted during the year	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined (Liability)/Asset	-	-	-	-	-	-	-	-	(281.87)	-	(287.17)
Changes in Fair Value of Investment	-	-	-	-	-	-	-	(5.30)	-	-	1.02
Tax Effect on Fair Value of Investment	-	-	-	-	-	-	1.02	-	-	-	(4.23)
Balance as at 31st March, 2019	138.41	48.45	121.62	30.00	3,908.28	13,083.26	437.00	(18.83)	(399.65)	-	17,348.54



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.

1) BASIS OF PREPARATION

The consolidated 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 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, 2019 have been approved by the Board of Directors of the Company in their meeting held on 30th May, 2019.

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.

BASIS OF CONSOLIDATION

The consolidated financial statements includes financial statements of Hindusthan Udyog Limited and results of two associates, consolidated in accordance with Ind AS 28 - Investments in associate. The Consolidation has been done by following the Equity Method.



Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and other events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statement of all entities used for the purpose of consolidation are drawn upto same reporting date as that of the parent company i.e year ended 31st March. An associate is an entity in which the group has significant influence, but not control or joint control, over the financial and operating policies. Interest in associate and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition the consolidated financial statements include the groups share of profit and loss and OCI of equity accounted investee until the date on which significant influence or joint control ceases. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

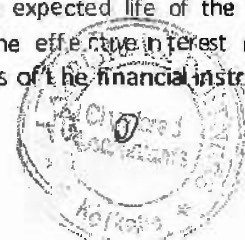
II) Revenue Recognition

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) 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.

V) 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.



VI) 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.

VII) 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.

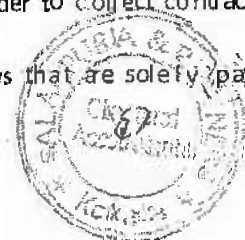
Classification of Financial Assets

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.

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.

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.

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 its 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.

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.

- On initial recognition, all foreign currency transactions are recorded at the foreign exchange rate on the date of transaction.
- 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.
- 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.



XV) 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.

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Particulars	PROPERTY, PLANT & EQUIPMENT								
	Freehold Land	Lease Hold Land	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Variables	Furniture & Fixtures	Total
Gross block									
Gross Carrying Amount As At 1st April, 2018	193.63	166.84	569.52	515.74	0.84	31.92	70.78	43.35	1,592.64
Additions during the year	-	-	-	8.42	0.18	-	-	5.95	14.55
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	(9.00)	-	-	-	-	(9.00)
Gross carrying amount as at 31st March, 2019	193.63	166.84	569.52	515.16	1.02	31.92	70.78	49.31	1,598.19
Degradation /Amortisation									
Accumulated depreciation/amortisation as at 1st April, 2018	-	2.92	59.14	123.92	0.72	22.35	28.43	15.47	251.96
Depreciation/ amortisation for the year	-	1.46	28.36	55.86	0.15	5.62	13.19	6.65	111.29
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	(2.96)	-	-	-	-	(2.96)
Accumulated Depreciation as at 31st March, 2019	-	4.38	87.50	175.82	0.87	27.97	41.62	22.12	360.29
Net carrying amount as at 31st March, 2019	193.63	162.46	482.02	339.34	0.15	3.95	29.16	27.19	1,237.90

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2018 were as follows:

Particulars	PROPERTY, PLANT & EQUIPMENT								
	Freehold Land	Leasehold Land	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
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									
Opening 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	53.87	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	27.88	1,340.68
Net carrying amount as at 1st April, 2017	193.63	165.29	539.55	439.47	0.33	26.39	31.23	26.71	1,422.59

* 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 Consolidated Financial Statement As At 31.03.2019

Note : 3 FINANCIAL ASSETS		No. of Shares	As At 31.03.2019 ₹	No. of Shares	As At 31.03.2018 ₹
(A) INVESTMENTS (Measured at fair value through Other Comprehensive Income)					
(i) Investment in Equity Instrument (Quoted)					
1) Tea Time Ltd.	1,14,000	100.13	1,14,000	100.13	
2) Phosphate Co. Ltd.	26,400	41.64	26,400	41.64	
3) Northern Projects Ltd.	1,39,900	112.83	1,39,900	112.83	
4) Asutosh Enterprises Ltd.	1,50,000	55.85	1,50,000	55.85	
5) Neptune Exports Ltd.	2,30,500	138.25	2,30,500	138.25	
6) Orient International Ltd.	1,65,000	47.22	1,65,000	47.22	
7) Bengal Steel Industries Ltd.	3,45,000	69.03	3,45,000	69.03	
8) Ador Welding Ltd.	-	-	-	-	
9) Parsvnath Developers Ltd.	-	-	8,000	1.19	
Total (i)			564.95		566.14
(ii) Investment in Equity Instrument (Unquoted)					
1) Hindusthan Parsons Ltd.	5,00,000	57.30	5,00,000	56.20	
2) H. S. M. International Pvt. Ltd.	1,52,500	7.46	1,52,500	7.47	
3) Tamilnadu Alkaline Batteries Ltd.	3,00,000	3.00	3,00,000	3.00	
4) Bengal Central Building Society Ltd.	10,000	0.56	10,000	0.59	
5) Kabini Papers Ltd. in Liquidation	42,135	-	42,135	-	
6) AKA Washeries India Pvt. Ltd.	2,000	0.02	2,000	0.02	
7) Huwood Hindusthan Pvt. Ltd.	2,000	1.21	2,000	1.00	
8) Macneill Electricals Ltd.	918	0.01	918	0.01	
9) V N Enterprises Limited	-	-	-	-	
Total (ii)			69.55		68.29
(iii) Investment in Associate					
1) WPIL Limited (39.54%)	38,61,659		38,61,659		
Carrying Value of the Group's Interest in Associate		10,715.24		9,341.29	
Add: Current Year Profit/(Loss)		4,672.56		1,451.18	
Less : Dividend		(154.47)		(77.23)	
Total		15,233.33		10,715.24	
2) spans Babcock India Ltd (25%)	25,000		25,000		
Carrying Value of the Group's Interest in Associate		16.85		18.37	
Add: Current Year Profit/(Loss)		12.97		(1.52)	
Total		29.82		16.85	
(iv) Investment in Govt. Securities (NSC)					
		0.15		0.15	
Total (i + ii + iii + iv)			15,897.80		11,366.66

	As at 31st March 2019		As at 31st March 2018	
	Cost	Market Value	Cost	Market Value
	Rs.	Rs.	Rs.	Rs.
Aggregate value of Quoted Investments	3,88,84,835	32,705.54	4,10,07,788	20,243.22



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

(B) TRADE RECEIVABLES	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Current Portion	682.60		837.44
Non- Current Portion	-		-
	<u>682.60</u>		<u>837.44</u>
Considered Good - Secured			
Considered Good - Unsecured	682.60		837.44
Having Significant Increase in Credit Risk	-		-
Credit Impaired	-		-
Doubtful	44.46		44.46
Total	<u>727.06</u>		<u>881.90</u>
Loss Allowance	<u>(44.46)</u>		<u>(44.46)</u>
Total Unsecured Trade Receivable	<u>682.60</u>		<u>837.44</u>

(C) OTHER NON CURRENT FINANCIAL ASSETS	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Bank Deposits with Maturity more than 12 months	19.55		5.29
Total Non Current Other Non Financial Assets	<u>19.55</u>		<u>5.29</u>



HINDUSTHANUDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 4 DEFERRED TAX (NET)	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Deferred Tax Asset / (Liability)	(113.66)		(109.43)
	(113.66)		(109.43)

Note : 5 OTHER NON CURRENT ASSETS	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Advances- Non Current	1.27		1.27
Mat Credit Entitlement	11.47		11.47
Security Deposits	78.57		78.57
Total	91.30		91.30

Note : 6 INVENTORIES	As At 31.03.2019 ₹		As At 31.03.2018 ₹
Raw Material	426.65		557.76
Work In Progress	319.43		709.72
Finished Goods	-		-
Tools & Implements	196.89		38.67
Traded Goods	-		-
Total	942.97		1,306.15



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 7(A) CASH AND CASH EQUIVALENT	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Balances with Bank		
- In Current Account	729.40	44.24
Cash on Hand	14.34	8.48
Total	743.75	52.72

Note : 7(B) OTHER CURRENT FINANCIAL ASSETS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Accrued Interest	0.14	0.14
Bank Deposits with Maturity more than 3 months but less than 12 months	43.54	29.07
Total	43.68	29.22

Note : 8 CURRENT TAX ASSET (NET)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Advance payment of Income Tax (Net)	136.80	107.97
Advance Sales Tax	2.57	2.57
Total	139.36	110.54

Note : 9 OTHER CURRENT ASSETS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Advances to Staff (Unsecured- Considered Good)	8.68	7.01
Advances to Others	4,631.03	5,055.15
Security Deposit	12.79	12.79
Prepaid Expenses	3.52	6.62
Service Tax Receivable	-	0.16
Other Receivables	0.24	11.69
Total	4,656.26	5,093.43



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 10 (A) STATEMENT OF CHANGES IN EQUITY	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(A) I Equity Share Capital		
Authorised Shares		
485,00,000 Equity Shares of ₹ 10/- each	4,850	4,850
60,00,000 10% Cumulative Redeemable Preference shares of ₹ 10/- each	600	600
	<u>5,450</u>	<u>5,450</u>
Issued, Subscribed & Paid-Up Shares		
71,76,725 Equity Shares of ₹ 10/- each, fully paid	718	718
Total	<u>718</u>	<u>718</u>

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

Equity Shares	Nos.	As At 31.03.2019 ₹	Nos.	As At 31.03.2018 ₹
At the beginning of the period	71,76,725	718	71,76,725	718
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>71,76,725</u>	<u>718</u>	<u>71,76,725</u>	<u>718</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**

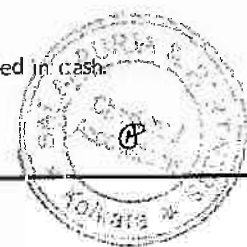
Particulars	Nos.	As at 31.03.2019 % Holding in the Class	Nos.	As at 31.03.2018 % Holding in the Class
Equity Shares of ₹ 10/- Each				
1. V.N. Enterprises Limited	16,59,625	23.13	16,59,625	23.13
2. Poonam Jhaver	10,00,000	13.93	10,00,000	13.93
3. Bengal Steel Industries Limited	5,98,600	8.34	5,98,600	8.34
4. Tea Time Limited	5,94,600	8.29	5,94,600	8.29
5. Neptune Exports Limited	5,90,400	8.23	5,90,400	8.23
6. Orient International Limited	5,46,850	7.62	5,46,850	7.62
7. Asutosh Enterprises Limited	4,57,500	6.37	4,57,500	6.37
8. Prakash Agarwal	5,16,200	7.19	5,16,200	7.19

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 Consolidated Financial Statement As At 31.03.2019**

(₹ in lakhs)

Note : 10 (B) OTHER EQUITY	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(a) Share Premium		
As per Last Balance Sheet	138.41	138.41
(b) Revaluation Surplus		
As per Last Balance Sheet	48.45	48.45
Less: Transferred to Retained Earnings	-	-
Closing Balance	48.45	48.45
(c) General Reserve		
As per Last Balance Sheet	121.62	121.62
(d) Special Capital Incentive		
As per Last Balance Sheet	30.00	30.00
(e) Capital Reserve		
As per Last Balance Sheet	3,908.28	3,908.28
(f) Retained Earnings		
As per Last Balance Sheet	8,431.88	6,837.96
Add: Transfer from Revaluation Surplus	-	-
Profit for the Year	4,651.38	1,593.92
Closing Balance	13,083.26	8,431.88
(g) Other Comprehensive Income		
As per Last Balance Sheet	426.68	415.70
Effect of Conversion to Ind AS		
Movement in OCI during the year	(8.51)	10.98
Closing Balance	418.17	426.68
Total	17,748.19	13,105.32

Nature and Purpose of Reserve**a) Securities Premium**

Securities Premium is the premium on issue of equity shares. The reserve will be utilised in accordance with the provision of the Act.

b) Revaluation Surplus

Revaluation Reserve arises on account of revaluation of Land.

d) Special Capital Incentive

Special Capital arises on account of Business Combination.

e) Capital Reserve

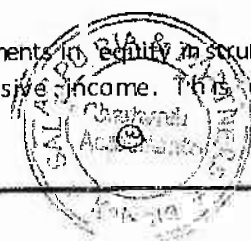
Capital Reserve arises on account of Business Combination.

f) Retained Earnings

Retained Earnings is the present accumulated profits/(losses) earned the Company and remaining undistributed as on date.

g) FVTOCI Reserve

The Company has elected to recognise changes in the fair value of investments in equity instruments along with remeasurement of Defined Benefit plans through other comprehensive income. These changes are accumulated within the FVTOCI Reserve.



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

NOTE 11 - FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(A) BORROWINGS		
Unsecured Preference Shares	472.15	561.09
Vehicle Loan		
Deferred Sales Tax Loan	1.17	1.17
Total	473.32	562.26

NOTE 11 - FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(B) TRADE PAYABLES		
CURRENT		
Trade Payables		
~ Total Outstanding Dues to Micro and Small Enterprises *	5.44	-
~ Total Outstanding dues of Creditors other than Micro Enterprise & Small Enterprises*	430.49	505.86
Total	435.93	505.86
NON-CURRENT		
Retention Payable to Contractor	-	-
Total	-	-

Particulars	As At 31.03.2019 ₹	As At 31.03.2018 ₹
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).	5.44	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
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
The amount of interest accrued and remaining unpaid at the end of accounting year	0.52	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



HINDUSTHANUDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

NOTE 11 - FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(C) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	79.85	-
Total	79.85	-

Note : 12 LONG TERM PROVISIONS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Provision for Employee Benefits		
- Provision for Gratuity	164.26	145.90
- Provision for Leave Encashment	33.64	311.5
Total	197.90	1,770.5



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(A) BORROWINGS		
Loans Repayable on demand (Unsecured)		
• From Banks		
– Cash Credit Facilities (Secured) #	-	49.82
Inter Corporate Deposits (Unsecured)	-	1,350.00
Vehicle Loan		
(i) From Banks*	12.50	29.58
Total	12.50	1,429.40

* 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 5 No. of Installments)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2019 ₹	As At 31.03.2018 ₹
(B) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	45.55	35.70
Interest on ICD Payable	90.88	17.98
Advances from Customers	-	-
Other Payables	2.75	2.38
Payable to Employees	46.35	44.35
Total	185.53	100.40

Note : 14 : OTHER CURRENT LIABILITIES	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Advance from Customers	3.00	9.38
Deposits From Contractors	4.88	4.88
Statutory Dues Payable		
– Provident Fund	4.68	8.01
– Employee State Insurance Fund & Labour Welfare Fund	1.05	1.89
– Goods & Services Tax		
* C. G. S. T. Payable	7.55	8.03
* S. G. S. T. Payable	7.55	8.03
* I. G. S. T. Payable	20.50	112.81
– Sales Tax Payable	-	-
– Tax Deducted At Source	5.56	7.33
– Professional Tax	0.87	0.65
Advance From Others*	4,818.02	3,468.02
Total	4,873.65	3,629.02
* Includes from WPIL Limited (Associate)	4,200.00	2,850.00

HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 15 - SHORT TERM PROVISIONS	As At 31.03.2019 ₹	As At 31.03.2018 ₹
Provision for Employee Benefits		
– Provision for Gratuity	14.12	12.97
– Provision for Leave Encashment	2.51	2.70
Other Short Term Provision (Trade & Other Issues)	-	-
	-	-
Total	16.63	15.67



Note : 16 REVENUE FROM OPERATIONS	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
A) Revenue from Sale of Products	1,628.03	2,632.95
Sub Total (A)	1,628.03	2,632.95
B) Other Operating Revenues		
Scrap Sales	8.77	1.74
Sub Total (B)	8.77	1.74
Total (A+ B)	1,636.80	2,634.69

Note : 17 OTHER INCOME	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
(a) <u>Interest Income</u>		
– Of Preference Share amortised through FVTPL	47.09	46.03
(b) <u>Dividend Income</u>		
– Dividends from quoted equity investments measured at fair value through OCI*	-	0.15
(c) <u>Other Non Operating Income</u>		
– Income From Security Deposits	3.03	3.23
– Income From Fixed Deposit	8.42	1.10
– Profit From Sale of Property Plant & Equipment (Net)	-	0.80
– Lease Rent	239.51	189.51
– Profit on Foreign Exchange Fluctuation	3.17	2.58
– Sundry Balances Written Back (Net)	0.50	29.10
– Sale of Export Licence	-	24.66
– Misc. Receipts	15.72	
(d) <u>Other Gains & Losses</u>		
– Profit on Sale of Shares measured at FVTPL	0.06	2.71
Total	317.49	299.86



HINDUSTANI INDUSTRIES LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 18 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Raw Material Consumed	331.54	467.36
Stores Consumed	227.23	347.19
Power & Fuel	197.21	213.83
Carriage Inward	-	0.05
Total	755.98	1,028.43

Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SALEABLE SCRAP	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Stock at the Beginning of the Year		
Finished Goods	-	119.49
Work-in-Progress	707.68	622.11
Saleable Scrap	-	-
Total	707.68	741.61
Stock at the End of the year		
Finished Goods	-	-
Work-in-Progress	319.43	707.68
Saleable Scrap	-	-
	319.43	707.68
Changes in Inventories of Finished Goods, Work In Progress and Saleable Scrap	388.25	33.92

Note : 20 EMPLOYEE BENEFIT EXPENSES	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Salary, Wages, Bonus & Allowances*	436.36	479.54
Contribution to Provident Fund, Gratuity, ESI & Other Fund	66.52	80.13
Staff Welfare Expenses	14.12	22.21
Total	516.99	581.89

*Includes Director's Remuneration of ₹ 30,00,000 (P.Y. - ₹ 16,50,000)



HINDUSTHAN UDYOG LTD*Notes to Consolidated Financial Statement As At 31.03.2019*

Note : 21 FINANCE COSTS	(₹ in lakhs)	
	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Interest		
(i) <u>Interest cost on Financial Liabilities measured at amortized cost</u>		
– on borrowings from banks	92.10	100.52
– on MSME dues	0.52	-
– on preference shares calculated as per Effective Interest Method	47.86	46.33
Total	140.47	146.84

Note : 22 DEPRECIATION & AMORTISATION EXPENSE	(₹ in lakhs)	
	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Depreciation on Property, Plant & Equipment	111.29	123.73
Total	111.29	123.73



HINDUSTHANUDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2019

(₹ in lakhs)

Note : 23 OTHER EXPENSES	For the Year Ended 31.03.2019 ₹	For the Year Ended 31.03.2018 ₹
Component Processing Expense	106.41	243.23
Selling & Distribution Expenses		
Freight & Transportation	28.06	52.78
Advertisement & Sales Promotion	0.22	0.72
Rates & Taxes	15.12	30.22
Repairs & Maintenance		
Repairs to Plant & Machinery	20.61	39.24
Repairs to Others Assets	5.76	9.70
Travelling Expenses		
Inland Travelling	3.93	33.22
Foreign Travelling	3.17	6.70
Auditors' Remuneration		
- Audit Fees	2.95	1.65
- Tax Audit Fees	0.25	-
- Certification/Limited Review Fees	-	-
Commission, Discount & Rebates	19.61	3.47
Legal & Professional	8.06	
Inspection & Testing Expense	-	0.07
Excise Duty	-	(6.66)
Sales Tax	-	0.71
Service Tax	-	0.01
Swachh Bharat Cess	-	0.00
Krishi Kalyan Cess	-	0.00
CGST	-	(8.55)
SGST	-	(8.55)
IGST	-	(2.49)
Director Meeting Fees	0.20	0.20
Service Charges	32.45	57.45
Liquidated Damages	9.23	23.89
Electricity Charges	1.69	4.69
Factory Electric Charges	0.98	
Rent	14.62	25.10
Factory Godown Rent	3.16	
Bank Charges	4.46	3.21
Provision for Doubtful Debts	-	44.46
Conveyance Charges	5.17	5.92
Export Licence	-	24.66
Vehicle Maintenance	13.37	14.23
Service Tax Input Written Off	-	17.97
Sundry Balances Written Off	28.68	
Printing & Stationery	1.58	2.38
Postage, Telegram & Telephone	3.09	6.62
Insurance	5.13	7.35
Listing Fees	3.25	3.01
Bad Debts	3.30	
Donation & Subscription	1.84	2.36
Miscellaneous Expenses	11.00	15.07
Total	357.33	654.04



HINDUSTHAN UDYOG LTD**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note: 24 NOTES****24.1 Contingent Liabilities**

- a) Letters of Guarantee outstanding as at 31.03.2019 is ₹ 43.77 Lacs (Previous Year - ₹ 38.43 Lacs)
- b) Claim not acknowledged as debts: - Disputed demand for Sales Tax ₹ 131.32 Lacs (Previous Year - ₹ 131.32 Lacs) appealed against.
- c) VAT Case filled for the year 2007-08 of Rs 62.70

24.2 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
- d) Mrs. Premilata Agarwal Director - Wife of Mr. V. N. Agarwal

Enterprise Having Significant Influence

V.N. Enterprise Limited

Macneill Electricals Limited

ii) Transactions with Related Parties**(₹ in lakhs)**

	Amount ₹
Managerial Remuneration - Mr. V.N. Agarwal	30.00 (16.50)
Directors Sitting Fees	0.20

Details of Advances Given and Received During the year from Related Parties**(₹ in lakhs)**

Party	Transactions	As at 31.03.2019 ₹	As at 31.03.2018 ₹
V.N. Enterprises Limited	Opening Balance	3,228.25	393.25
	Performance Deposit Given	1,438.01	2,852.17
	Advance Refunded	366.26	17.17
	Closing Balance	4,300.00	3,228.25
Macneill Electricals Limited	Opening Balance	1,045.00	595.50
	Advance Given	111.50	449.50
	Advance Refunded	1,156.50	-
	Closing Balance	-	1,045.00

***Resigned with effect from 28.09.2018**

HINDUSTHAN UDYOG LTD**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****24.3 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	₹ in Lakhs
(i)	Revenue by Geographical Market	
	- India	1,059.05
	- Outside India	568.97
		1,628.03

24.4 Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2019. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2019.

24.5 FAIR VALUE MEASUREMENTS

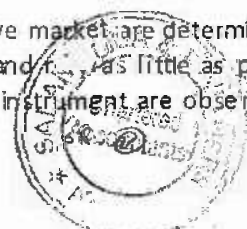
(I) Financial instruments by category

		₹ in lakhs	
	Particulars	As At 31.03.2019 ₹	As At 31.03.2018 ₹
A.	Financial Assets		
I.	Measured at fair value through other comprehensive		
	Investments	994.63	994.55
II.	Measured at amortised cost		
	Trade Receivables	682.60	837.44
	Cash & Cash Equivalents	743.74	52.72
A.	Financial Liabilities		
I.	Measured at amortised cost		
	Borrowings	485.81	1,991.66
	Trade Payables	435.93	505.86
	Other Financial Liabilities	185.53	100.39

(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 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.

(₹ in lakhs)

Particulars	Carrying Value	Level 1	Level 2	Level 3
Measured at fair value through Other Comprehensive Income (FVTOCI)				
As at 31st March 2019				
Investments	31.37	564.95	-	-
As at 31st March 2018				
Investments	52.60	566.14	-	-
Measured at amortised cost for which fair value is disclosed				
As at 31st March 2019				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 31st March 2018				
Deferred Sales Tax Loan	1.17	-	-	1.17

- 24.6** 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 but have been extended for a period of 3 Years i.e, 9th January, 2022.

24.7 Earnings Per Share

Particulars	2017-18	2018-19
Earnings available for Equity Shareholder	1,593.92	4,651.38
Weighted Average Number of Equity Shares	7176725	7176725
Earnings Per Share (basic/diluted)	22.21	64.81

- 24.8** The parent company has received an advance of ₹ 4,200 Lakhs from WPIL Limited for acquisition of its Alloy and Stainless Steel Casting foundry unit in Nagpur. The necessary approval and formalities for the acquisition is pending no adjustment has been made in the financials.



24.9 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.

PARTICULARS	₹ in lakhs			
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
1. Change in the Defined Benefit Obligation				
- Defined Benefit Obligation as at the beginning	158.87	208.18	33.85	50.13
- Current Service Cost	9.08	8.84	2.15	1.14
- Interest Expense or Cost	12.05	13.02	2.57	3.61
- Actuarial (gains)/ losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	3.57	(4.71)	0.56	(0.80)
experience variance	1.73	(0.96)	(0.84)	(4.01)
- Past Service Cost	-	0.75	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Benefits paid	(6.93)	(38.87)	(2.14)	(16.20)
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
- Present Value of Obligation as at the end	178.37	186.26	36.15	33.85
2. Expenses recognised in the statement of Profit & Loss				
- Current Service Cost	9.08	8.84	2.15	1.14
- Interest Expense or Cost	12.05	13.02	2.57	3.61
- 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	21.13	22.62	4.72	4.75
3. Other Comprehensive Income				
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	-	-	-	-
change in financial assumptions	3.57	(4.71)	0.56	(0.80)
experience variance	1.73	(0.96)	(0.84)	(4.01)
Total	5.30	(5.67)	(0.28)	(4.82)
4. Actuarial Assumptions				
(a) Financial Assumptions				
Discount rate p.a	7.30%	7.40% - 7.60%	7.30%	7.40% - 7.60%
Salary growth rate p.a	5.00%	5.00%	5.00%	5.00%

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

For SALARPURIA & PARTNERS

Chartered Accountants

Firm ICAI Reg. No.302113E

N. R. N. J. J.

Chartered Accountant
Member ICAI Reg. No. 302113E

Partner

Place: Kolkata

Date: 30-05-2019

SALARPURIA & PARTNERS
Chartered Accountants
Kolkata
Sukho Bajaj
Company Secretary

For and behalf of the Board of Directors

Umesh Kumar
Bram Lal Agarwal
Directors