ANNUAL REPORT 2017 – 2018

Hindusthan Urban Infrastructure Limited

(An enterprise of THE HINDUSTHAN GROUP)

HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

DIRECTORS

Mr. Raghavendra Anant Mody	Chairman and Whole Time Director
Mr. Shyam Sunder Bhuwania	Vice Chairman and Managing Director
Mr. Vivek Dayaram Kohli	Non-Executive Director
Mr. Mool Chand Gauba	Independent Director
Mr. Ratan Lal Nangalia	Independent Director
Ms. Suman Lata Saraswat	Independent Director
Mr. Sadhu Ram Bansal	Independent Director (w.e.f 13.8.2018)
Mr. Ramawatar Joshi	Independent Director (upto 30.7.2018)

KEY MANAGERIAL PERSONNEL (KMP)

Mr. M.L. Birmiwala	Sr. V.P-Finance & Secretary
Mr. Deepak Kejriwal	Chief Financial Officer

STATUTORY AUDITORS

M/s. K.N. Gutgutia & Co.,
Chartered Accountants

BANKERS

Canara Bank
State Bank of India

REGISTERED OFFICE

‘Kanchenjunga’ (7th Floor)
18, Barakhamba Road
New Delhi-110001

WORKS

Bhubaneswar	(Odisha)
Guwahati	(Assam)
Mandideep	(Madhya Pradesh)

LISTING OF EQUITY SHARES

BSE Limited

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor
Okhla Industrial Area, Phase-1
New Delhi-110020.

CONTENTS

To

The Shareholders,

Your Directors present their Fifty Eighth Annual Report and Audited Accounts of the Company for the year ended 31.03.2018

The operating results of the company for the year are as follows:

Particulars	(Rs. in Thousand) 2017-18	2016-17
The profit for the year after meeting all expenses but before providing for Gratuity, Depreciation, Taxation and exceptional items is: from which have to be deducted:	135518	159062
Gratuity according to statutory requirement	7871	10725
Depreciation for the current year	160826	153703
Exceptional Items (Income)	(23102)	-
Provision for Taxation	(29367)	(31942)
Provision for Dividend	1443	1443
Tax on Dividend	294	294
Leaving a balance of	17553	24839
To which have to be added:		
The balance brought forward from the previous year	65952	16113
Making a total of	83506	40952
Out of which transferred to/(from) General Reserve	-	(25000)
Leaving a balance to be carried forward to next year's account	83506	65952

State of Affairs & Operations

During the year under review, the gross revenue of the company has decreased to Rs.714.99 Crores as compared to Rs. 735.72 Crores in 2016-17. The profit before depreciation has decreased from Rs. 1507.49 Lakhs to Rs. 1483.37 Lakhs.

Consolidated financials

In the financial year 2017-18, income from operations was Rs. 727.92 Crores, as compared to Rs.749.18 Crores in the previous year 2016-17. The profit before depreciation has decreased from Rs. 1398.12 Lakhs to Rs.1266.81 Lakhs.

During the year under review, the gross revenue of the wholly owned subsidiary has increased to Rs.1300.90 Lakhs as compared to Rs.1192.03 Lakhs in financial year 2017-18. The loss after tax has increased from Rs. 56.58 Lakhs to Rs. 217.00 Lakhs.

Your Directors are pleased to inform that the Company booked new orders worth Rs. 530.04 crores in 2017-18. However due to deferment of order execution by some customers, the production for aluminium Conductors could not be taken during the year for some of these orders.

The availability of our prime raw material for conductor division i.e. aluminum remained satisfactory. However, due to upward swing of LME from USD 1912 in June 2017 to USD 2330 in February 2018, there were increase of prices of aluminium forcing deferment of supply.

The availability of power was comfortable except Mandideep Works. The Company has been able to keep the factories running with the help of captive power generating capacity where ever it was required.

There has been slow down in the issue of new tenders by major Power utility Power grid of India during the year but efforts are being made to secure more orders from private sector as well as state utilities.

During the year the company's export in conductor division fallen due to increased aluminium prices in international market post US sanctions on Rusal. However, Exports in insulators posted an increase of 17.21%.

The Gwalior plant(Conductor) of the Company was discontinued for commercial operation due to unviable economic / logistic reasons. However, it did not had major impact on the overall operations of the company.

Dividend

Your Directors have recommended a dividend of Re. 1.00 per equity share(10%) for the financial year ended March 31, 2018 amounting to Rs. 17,36,622/- (inclusive of tax of Rs.2,93,737/-). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on 14th September, 2018 in respect of shares held in dematerialised and physical form. It will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

Wholly Owned Subsidiary Companies

The Company has three non-material wholly owned subsidiary companies i.e Hindusthan Speciality Chemicals Limited, Hindusthan Vidyut Products Limited and Hindusthan Projects Limited.

Hindusthan Speciality Chemicals Limited (HSCL or the Company) made concrete progress towards establishment of the state of the art Green-Field manufacturing facility of "Epoxy Resin and formulated products" at Jhagadia Distt, Bharuch, Gujarat. The construction work is in progress and the plant is expected to be commissioned by October, 2018. HSCL is marketing various grades of Epoxy Resins & Specialty formulations in HSCL's own brand name, this is creating brand recognition in the market. Technology Transfer Agreement has been finalized with leading foreign partner for specialty formulations catering to the Electrical and Electronic applications, this will help to augment HSCL presence in this sector. Marketing network has been expanded across different regions of the country and distribution agreements have been concluded with channel partners to augment business penetration. For penetrating in the Export markets, various sales channels are being reviewed and expected to be finalized in the course of the next few months.

During the year 2018-19, the company is targeting increased sales of Formulated Products, Hardeners and maximizing LER sales as a system (i.e. supplied as Resin plus Hardener). The Company has paid Rs. 7,859.14 Lakhs till 31st March, 2018 by way of equity capital to subsidiary Company Hindusthan Speciality Chemicals Limited.

Hindusthan Vidyut Products Limited and Hindusthan Projects Limited, wholly owned non material subsidiaries have not commenced any commercial activity during the year.

There has been no change in relationship of any subsidiary company during the year.

A report on the performance and financial position of each of the subsidiaries as per the Companies Act, 2013 is provided in the consolidated financial statement and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link i.e, http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14

Consolidated Financial Statement

The consolidated financial statements prepared in accordance with the Companies Act, 2013 and Accounting Standard (AS) - 21 are attached with the Annual Report.

Management Discussion and Analysis Report

As required under regulation 34 of the Listing Regulations with Stock Exchange, the Management Discussion and Analysis Report is enclosed as a part of this report.

Corporate Governance

As a responsible corporate citizen, the Company is committed to maintain the highest standards of Corporate Governance and believes in adhering to the best corporate practices prevalent globally.

The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2018. A certificate from the Vice Chairman & Managing Director confirming the same is attached to the Corporate Governance Report.

A certificate from the CEO and CFO confirming correctness of the financial statements, adequacy of internal control measures, etc. is also attached to the Corporate Governance Report.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed;

b) The selected accounting policies have been applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) Proper and sufficient care has been taken for the 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 fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis;

e) Internal Financial Controls laid down in the company are adequate and were operating effectively;

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Directors and Key Managerial Personnel

Changes in Board of Directors and other Key Managerial Personnel

During the year under review, Mr. Rajendra Prasad Mody and Mr. Vikram Aditya Mody resigned from their Directorship w.e.f. August 31, 2017.

Mr Vivek Dayaram Kohli resigned as Whole Time Director w.e.f. close of business hours of March 31, 2018. He continues as Non-Executive Director.

Mr. Ramawatar Joshi, Independent Director resigned from the office of the director and other committee positions w.e.f 30.07.2018. The Board places on record its sincere appreciation for his guidance and expert advices.

On the recommendation of the Nomination and Remuneration Committee, Mr. Sadhu Ram Bansal was appointed as additional director in the category of Independent director w.e.f. 13.08.2018. He holds the office upto the ensuing Annual General meeting. The Board recommend to appoint him as Independent director in the ensuing Annual General meeting for a period of three years.

During the year, on the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Raghavendra Anant Mody as additional Director w.e.f. 31.08.2017 and Whole time director of the Company with effect from October 03, 2017 for a term of three years subject to the approval of the shareholders. The shareholders in their Extra Ordinary General Meeting held on November 22, 2017, approved the appointment of Mr. Raghavendra Anant Mody as Whole time Director. He was appointed as the Chairman of the Board.

Mr. Anil Kumar Chandani resigned from the position of Chief Financial Officer of the company w.e.f August 04, 2017 and on the recommendation of the Nomination and Remuneration Committee, Mr. Deepak Kejriwal was appointed as Chief Financial Officer w.e.f. August 31, 2017.

Your company is in full compliance of Listing regulations and the Companies Act, 2013 with regard to the composition of Board of Directors.

Retirement by rotation

Mr. Vivek Dayaram Kohli will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as director.

Board Meetings

Seven meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

Audit Committee

As on date, the Audit committee comprises of Mr Mool Chand Gauba, Chairman, Mr. Raghavendra Anant Mody, Mr. Shyam Sunder Bhuwania, Mr Sadhu Ram Bansal, Mr. Ratan Lal Nangalia and Ms. Suman Lata Saraswat. The Board has accepted all the recommendations made by the Audit Committee.

Declaration of Independent Directors

The Company has four independent directors namely Mr. Sadhu Ram Bansal, Mr. Ratan Lal Nangalia, Mr. Mool Chand Gauba, and Ms. Suman Lata Saraswat. All the directors are professionally qualified and possess appropriate balance of skills, expertise and knowledge and are qualified for appointment as Independent Director.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing regulations.

Auditors

i) Statutory Auditor

At the AGM of the Company held last year pursuant to the provisions of the act and rules made thereunder, M/s. K.N. Gutgutia & Co. Chartered accountants (firm registration no. 304153E) were appointed as Statutory Auditor of the company from the conclusion of 57th AGM held on September 29, 2017 till the conclusion of 62nd AGM to be held in the year 2022, subject to ratification of their appointment at every AGM. M/s. K.N. Gutgutia have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

Further pursuant to the Companies (Audit and Auditors)Amendment Rules, 2018, requirement for ratification of the Statutory Auditors in every AGM have been dispensed with.

The Audit Report of M/s. K.N. Gutgutia, Chartered Accountants on the Financial Statements of the company for the Financial Year 2017-18 is a part of the Annual Report. The report does not contain any qualification, reservation, adverse remark or disclaimer.

ii) Cost Auditors

M/s. J.K Kabra & Co., Cost Accountants were appointed as Cost Auditors for auditing the cost accounting records of our Company for the year ended March 31, 2018 by the Board of Directors, the report will be filed in due course. The Cost Audit Report for the year 2016-17 has been filed under XBRL mode within the due date of filing.

Further, The Company is required to maintain the cost accounting records in terms of section 148(1) of the Companies Act, 2013 read with rules made thereunder. The Company is regularly maintaining the required cost accounting records.

iii) Secretarial Auditor

The Board has appointed Mr. Kapoor Chand Garg of M/s KCG & Associates, Company Secretaries to conduct the Secretarial Audit for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended 31.03.2018 is annexed herewith marked as **Annexure-A** to this report. The observation(s) in secretarial audit report are self-explanatory and need no comments.

The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) and Secretarial Standards on Dividend (SS-3) (together referred to as the Secretarial Standards), as approved by the Central Government, have been issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013 (the Act), vide ICSI Notification No. 1 (SS) of 2015 dated 23rd April, 2015 and published in the Gazette of India Extraordinary Part III-Section 4. These Secretarial Standards came into force w.e.f. 1st July 2015.

The Company is adhering the above standards.

iv) Internal Auditors

M/s. M.L Garg & Co., Chartered Accountants performs the duties of Internal Auditors of the Company and their report are reviewed by the Audit committee from time to time.

As per the recommendations of Audit committee, M/s. M.L Garg & Co., Chartered Accountants were re-appointed as internal auditors for conductor division for the financial year 2018-19. An officer of the company was appointment as internal auditor for Insulator division of the company.

Share Capital

The Authorised share Capital of the Company is Rs. 2,50,00,000/- divided into 25,00,000 equity shares of Rs.10/- each. The paid up Equity Share Capital as on 31.03.2018 stood Rs. 1,44,28,850/-.

During the year under review the company has not issued any share capital with differential voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

Stock Exchange and Depositories

The listing fees for 2018-2019 has been paid to BSE Ltd.

Annual Custody / Issuer fee has been paid to NSDL and CDSL, the depositories where the shares of the company are dematerialized.

Material changes and commitments

No material changes or commitments have occurred between the end of the financial year to which the financial statements relate and the date of this report, affecting the financial position of the Company.

Annual Evaluation of Board and Directors

As required under the Companies Act, 2013 and the Listing Regulations, an evaluation of the performance of the Independent Directors was carried out by the Board of Directors during the year, based on the criteria laid down by the Nomination and Remuneration Committee. On an overall assessment, it was found that all the Independent Directors have given a good account of themselves. The Board concluded that the Independent Directors individually and collectively were well qualified and their contributions were in the interest of the Company.

The Independent Directors in a separate meeting held on 31.01.2018 reviewed and evaluated the performance of Non-Independent Directors and Board as a whole.

Keeping the requirements under the Act and the Listing Regulations, the Independent Directors laid down broad areas for evaluation. After detailed discussion, it was concluded that the performance of the Board collectively and the Directors individually on all counts of evaluation were appreciable.

The performance of the Executive Directors was evaluated by Independent Directors for leadership and direction to the Company judging as per the parameters of the evaluation criteria and it was noted that their performance was satisfactory

The Board carried out the performance evaluation of its committees.

Directors Appointment and Remuneration

Appointment of Directors on the Board of the Company is based on the recommendations of the Nomination and Remuneration Committee. The committee identifies and recommends to the Board, persons for appointment on the Board, after considering the necessary and desirable competencies. The committee takes into account positive attributes like integrity, maturity, judgement, leadership position, time and willingness, financial acumen, management experience and knowledge in one or more fields of finance, law, management, marketing, administration, research, etc.

In case of Independent Directors (IDs) they should fulfill the criteria of independence as per the Act and Regulation 16 of the Listing Regulations in addition to the general criteria stated above. It is ensured that a person to be appointed as director has not suffered any disqualification under the Act or any other law to hold such an office.

The Directors of the Company are paid remuneration as per the Remuneration Policy of the Company. The details of remuneration paid to the directors during the year 2017-18 are given in Form MGT-9 annexed hereto.

Remuneration Policy

The Company has a Remuneration Policy relating to remuneration of the Directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company. The Remuneration Policy is in accordance with Section 178 of the Act and the Rules made thereunder and annexed as **Annexure-B**.

The Remuneration Policy of the Company is available on its website.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-C** to this report.

Compliance certificate of the Auditors

Certificate from the Company's Auditor, M/s. K.N. Gutgutia & Co., Chartered Accountants confirming compliance with conditions of Corporate Governance as stipulated in para D of Schedule V to the Listing Regulations, is attached to this Report.

Corporate Social Responsibility (CSR)

The Company has a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company which was duly approved by the Board. CSR Committee of the Board has developed a CSR Policy. Additionally The CSR Policy may be accessed on the Company's website at the link: http://www.hindusthanurban.com/pdf/policy/HUIL_CSR%20Policy.pdf

In view of losses in preceding three years the Company was not eligible to spend towards CSR activities for the financial year 2017-18.

Internal Control System and their Adequacy

The Company has adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

Investor Services

The Company values its investors immensely. With a view to keep its investors well informed of its activities, the Company has taken the following initiatives:

- Maintaining user friendly investor section on the website of the Company i.e, www.hindusthanurban.com
- A dedicated email id viz, investors@hindusthan.co.in for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary and Compliance officer.

Vigil Mechanism

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Such Related Party Transactions which are proposed to be entered during the financial year are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained on annual basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.hindusthanurban.com/pdf/policy/HUIL_RPT%20Policy.pdf

Significant Material Orders Passed by Regulators or Courts or Tribunals

No significant orders have been passed by any Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Particulars of Contracts or arrangement with related parties

During the year the company had not entered in to any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction. The relevant information regarding related party transactions has been set out in note no. 4 of the standalone financial statement for the year ended 31.03.2018.

The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company (http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14). Transactions with the related parties are disclosed in Notes to the financial statements in the Annual Report. The disclosure in Form AOC-2 is attached as **Annexure-D**.

Development and Implementation of a Risk Management Policy

The Company has a Risk Management Committee consisting Vice Chairman & Managing Director and Independent Directors and which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the

Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces. The Company addresses the potential risks impacting the Company.

Public Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Anti-Sexual Harassment Policy

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company constituted Internal Complaints Committee. There has not been any instance of complaint reported in this regard to Audit Committee.

The Company has internal complaints committee as prescribed under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and is in compliance of provisions of the said act.

Extract of Annual Return

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules,2014, the extract of Annual Return in Form MGT-9 is attached as **Annexure-E**.

Personnel

Particulars of Directors and Employees, as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure-F** and form part of this Report.

For and on behalf of the Board of Directors

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

Place: New Delhi
Date: August 13, 2018

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

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

CIN	**L31300DL1959PLC003141**
AUTHORISED CAPITAL	**Rs. 2,50,00,000/-**
PAID UP CAPITAL	**Rs. 1,44,28,850/-**

To,

The Members,

HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

7th Floor, Kanchenjunga,

18, Barakhamba Road,

New Delhi-110001

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

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

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

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;

~~iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI);~~

v. The following Regulations and Guidelines prescribed under the Securities and Ex- change Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

~~(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;~~

~~(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;~~

~~(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securi- ties) Regulations, 2008;~~

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

~~(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regu- lations, 2009; and~~

~~(h) The Securities and Exchange Board of India (Buyback of Securities) Regula-tions, 1998~~

(vi) Industrial Disputes Act 1947, Factories Act, Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Payment of Gratuity Act, 1972, Workmen's Compensation Act, 1923, Employees' State Insurance Act, 1948, Employees' Provident Fund & Misc. Provo Act, 1952, Boilers Act, 1923, Employer's Liability Act, 1938 and all other La- bour Laws, Rules and Regulations applicable to the Company.

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

(i) Secretarial Standards with regard to meeting of Board of Directors (SS-1) and

General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The listing Agreements entered into by the company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015;

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Standard, etc. mentioned above.

We further report that:

The Board of Directors of the Company is constituted as per Annexure-1.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Board doesn't comprise of the requisite number of Non-Executive Directors in the company because of non-availability of non-executive Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We report the following observations:

1. That due to non-availability of non-executive director/s; the company was unable to comply with the provisions of section 152(6) and 152(7) of the Companies Act, 2013
2. That Mr. Raghavendra Anant Mody (DIN: 03158072) was appointed as a Whole Time Director w.e.f. 3rd October, 2017 in the Extra Ordinary General Meeting convened on 22nd November, 2017; but the form DIR-12 reflects the date of appointment as 29th September, 2017.

For AMIT KUMAR
Company Secretaries

sd/-
Amit Kumar
Proprietor
FCS-5917
CP-6184

Place: New Delhi
Date: April 19, 2018

COMPOSITION OF BOARD OF DIRECTORS AS ON THE CLOSURE OF FINANCIAL YEAR 2017-2018

Sr. No.	Name of Directors	Designation	DIN NO.	Date of Appointment
1.	Mr. Raghavendra Anant Mody	Chairman and Whole Time Director	03158072	31/08/2017
2.	Mr. Shyam Sunder Bhuwania	Vice Chairman and Managing Director	00107171	04/02/1975
3.	Mr. Vivek Dayaram Kohli	Non-Executive Director	06898043	28/03/2016
4.	Mr. Ramawatar Joshi	Independent Director	00027616	24/02/2015
5.	Mr. Ratan Lal Nangalia	Independent Director	07268034	14/09/2015
6.	Mr. Mool Chand Gauba	Independent Director	2942664	24/02/2015
7.	Ms. Suman Lata Saraswat	Independent Director	06932165	01/08/2014

REMUNERATION POLICY

Preamble

The Remuneration Policy of Hindusthan Urban Infrastructure Ltd. (the "Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Guiding Principle

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Directors

As per the Policy followed by the Company the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is Rs. 20,000 per Board meeting and Rs. 10,000 per Committee meeting.

Remuneration of Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of the Managing Director, the Nomination & Remuneration Committee (NRC) considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Managing Director are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.

Reward Principles and Objectives

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Reward Policies

Remuneration package for Managing Director is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him fairly and responsibly. The Managing Directors' remuneration comprises of salary, perquisites and performance based incentives/ reward apart from retirement benefits like P.F., Gratuity, etc. as per Rules of the Company. Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Managing Director is entitled to customary non-monetary benefits such as company car, furnished accommodation, health care benefits, leave travel, communication facilities, etc. His terms of appointment provide for payments as per the Companies Act.

Key Managerial Personnel (KMP) and Senior Management

Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the Managing Director (MD) on the basis of their performance appraisal, where applicable, broadly based on the Remuneration Policy. Total remuneration comprises of:

1. **A fixed base salary -** set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites -** in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. **Retirement Benefits -** contribution to PF, gratuity, leave encashment etc. as per Company Rules.
4. **Variable Pay -** A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on the performance appraisal.
5. **Severance Payments -** in accordance with terms of employment, and applicable statutory requirements, if any.

Other Employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of Information

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

Dissemination

The Company's Remuneration Policy shall be shared on its website.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

I. Conservation of Energy

(a) Energy Conservation measures taken.

Nil

(b) Additional Investments and proposals, if any, being implemented for reduction for consumption of energy.

No specific additional investment proposals being implemented

(c) Total energy consumption and energy consumption per unit of production of energy consumption and consequent impact on the cost of production of goods.

Nil

(d) Total Energy consumption and energy consumption per unit of production as per Form-A in respect of industries specified in the Schedule thereto. – Not applicable

II. Technology Absorption

1. Research & Development (R&D)

(a) Specific areas in which R&D carried out by the Company. - Nil

(b) Benefit derived as a result of the above R&D. - Nil

(c) Future Plan of action - Nil

(d) Expenditure on R&D

i) Capital

ii) Recurring

iii) Total

iv) Total R&D expenditure as a Percentage of total, turnover

} Nil

2. 2. Technology absorption, adaptation and innovation.

(a) Efforts, in brief, made towards technology absorption, adaptation and innovation - Nil

(b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. - Nil

(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). Not applicable

Technology Imported	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action.
Not Applicable			

III. Foreign Exchange Earning and outgo

(a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Insulators were exported to European countries like – Italy, Turkey, Russia etc. The Company exported Insulators to Egypt, South Africa, Bangladesh and Nepal. The export during the year rose by 17,21% as compared to previous year and efforts are being made for retaining our existing buyers and making additional efforts to introduce new buyers.

(b) Total Foreign Exchange used and earned (Rs. In Lakhs)

Used : Rs. 908.78

Earned : Rs. 1763.30

FORM NO. AOC – 2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. Not Applicable
2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. No.	Name(s) of the related party & nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Promain Ltd. (Promoter Group Company)	Premises taken on rent	March 2017 to January 2018	Promain Ltd. provided its premises on lease to the Company for office use	January 31, 2017	Nil
2	Mody Education Foundation	Sale of capital goods	Until cancellation as per mutual agreement	Sale of old furniture as second hand furniture for their use	January 31, 2017	Nil
3	Mrs. Nirmala Bhuwania (Relative of MD/KMP)	Premises taken on rent	Until cancellation as per mutual agreement	House taken on rent to be used as residence for Vice Chairman & Managing Director	January 31, 2017	Nil
4	Mrs. Sanchita Mody (Relative of Director)	Office or place of profit	As per contractual terms	Appointment as Advisor-Corporate Planning	January 31, 2017	Nil
5	Mr. Raghavendra Anant Mody	Office or place of profit	As per contractual terms	Management Advisor, appinted as WTD w.e.f. 3.10.2017	January 31, 2017, August 31, 2017	Nil

For and on behalf of the Board of Directors

Sd/-
Raghavendra Anant Mody
Chairman

Place: New Delhi
Date: August 13, 2018

EXTRACT OF ANNUAL RETURN
Form No. MGT-9
(Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014)
Financial year ended on 31.03.2018

I.	**REGISTRATION AND OTHER DETAILS:**	
i.	CIN	L31300DL1959PLC003141
ii	Registration Date	17-10-1959
iii.	Name of the Company	Hindusthan Urban Infrastructure Limited
iv.	Category/Sub-Category of the Company	Company having share capital
v.	Address of the Registered office and contact details	Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi – 110001, Ph: 23310001
vi	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153/A, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone: 011- 011- 40450193-97 Email - admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	**Name and Description of main products/ services**	**NIC Code of the Product/ service***	**% to total turnover of the company**
1.	Conductors	261 - Manufacture of electronic components	68.73%
2.	Insulators	239 - Manufacture of non-metallic mineral products	30.80%
3.	Power Generation	351 - Electric power generation, transmission and distribution	0.47%

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	**Name**	**Address of Company**	**CIN/GLN**	**Holding/ Subsidiary / Associate**	**% of shares held**	**Applicable Section**
1.	Hindusthan Speciality Chemicals Limited	Kanchenjunga, 7th Floor, 18 Barakhamba Road, New Delhi – 110001	U29120DL2003PLC242852	Subsidiary (Wholly Owned)	100%	2(87)(ii)
2.	Hindusthan Vidyut Products Limited	Kanchenjunga, 7th Floor, 18 Barakhamba Road, New Delhi – 110001	U28990DL2014PLC270231	Subsidiary (Wholly Owned)	100%	2(87)(ii)
3.	Hindusthan Projects Limited	Kanchenjunga, 7th Floor, 18 Barakhamba Road, New Delhi – 110001	U70200DL2015PLC287078	Subsidiary (Wholly Owned)	100%	2(87)(ii)

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**

(i) **Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	700	0	700	0.05	700	0	700	0.05	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporates	1076545	0	1076545	74.61	1076545	0	1076545	74.61	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	**1077245**	**0**	**1077245**	**74.66**	**1077245**	**0**	**1077245**	**74.66**	**0**
(2) Foreign	0	0	0	0	0	0	0	0	0
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Sub Total (A)(1) + (A)(2):-	**1077245**	**0**	**1077245**	**74.66**	**1077245**	**0**	**1077245**	**74.66**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	600	600	0.04	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	5000	0	5000	0.35	5000	0	5000	0.35	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub Total (B)(1)	**5000**	**600**	**5600**	**0.39**	**5000**	**0**	**5000**	**0.35**	**(0.04)**

(2) Non Institutions									
a) Bodies Corporates	49717	8420	58137	4.03	50309	150	50459	3.50	(0.53)
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	123236	34982	158218	10.97	125061	26141	151202	10.48	(0.49)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	94124	38314	132438	9.18	112624	21314	133938	9.28	0.10
c) Others									
i. NRI	653	0	653	0.04	5329	0	5329	0.37	0.33
ii. HUF	9657	100	9757	0.68	10251	100	10351	0.71	0.03
iii. Clearing member	837	0	837	0.06	120	0	120	0.01	(0.05)
iv. Unclaimed share (IEPF)	-	-	-	-	9241	-	9241	0.64	0.64
Sub-total(B)(2)	**278224**	**81816**	**360040**	**24.95**	**312935**	**47705**	**360640**	**24.99**	**0.04**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**283224**	**82416**	**365640**	**25.34**	**317935**	**47705**	**365640**	**25.34**	**0.00**
Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**1360469**	**82416**	**1442885**	**100**	**1395180**	**47705**	**1442885**	**100**	**0.00**

(ii) Shareholding of Promoters :

S. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber red to total shares	
1.	Hindusthan Consultancy & Services Limited	708825	49.13	0	708825	49.13	0	0
2.	Promain Limited	117900	8.17	0	117900	8.17	0	0
3.	Carbo Industrial Holdings Limited	132820	9.21	0	132820	9.21	0	0
4.	Hindusthan Business Corporation Limited	47000	3.26	0	47000	3.26	0	0
5.	Pradyumnna Steel Limited	70000	4.85	0	70000	4.85	0	0
6.	Rajendra Prasad Mody	500	0.03	0	500	0.03	0	0
7.	Raghavendra Anant Mody	200	001	0	200	0.01	0	0
	Total	**1077245**	**74.66**	**0**	**1077245**	**74.66**	**0**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the shareholding of the Promoters during the year ended March 31, 2018.

(iv) Shareholding pattern of top ten Shareholders
(Other than Directors, Promoters & Holders of GDRs & ADRs)

S. No	Name of the Shareholder	No of Shares At the Begining of Year 01/04/2017 and End of The Year 31/03/2018	% To the Total Shares	Transaction Date	Increase /Decrease	Reason	Cummulative Shareholding Holding during the Period Between 01/04/2017 and 31/03/2018	% of Total Shares of the Company
1	RITIKA GUPTA	66563	4.61			Nil		
		66513						
2	MAHARANI GITA DEVI OF KAPURTHALA	4200	0.29					
		4200				Nil		
3	RAMABEN BHAGUBHAI PATEL	21314	1.48					
		21314				Nil		
4	JAVERI FISCAL SERVICES LTD	0	0.00	17/11/2017	360	Purchase	360	0.02
				24/11/2017	1710	Purchase	2070	0.14
				1/12/2017	2970	Purchase	5040	0.35
				8/12/2017	369	Purchase	5409	0.37
				29/12/2017	144	Purchase	5553	0.38
				5/1/2018	800	Purchase	6353	0.44
				12/1/2018	270	Purchase	6623	0.46
				19/1/2018	77	Purchase	6700	0.46
		6700						
5	THE ORIENTAL INSURANCE COMPANY LIMITED	5000	0.35					
		5000				Nil		
6	3A CAPITAL SERVICES LIMITED	23670	1.64	19/5/2017	-23000	Sale	670	0.05
				26/5/2017	7000	Purchase	7670	0.53
				28/7/2017	-975	Sale	6695	0.46
				4/8/2017	-500	Sale	6195	0.43
				11/8/2017	-32	Sale	6163	0.43
				15/9/2017	16000	Purchase	22163	1.54
				29/9/2017	-193	Sale	21970	1.52
				6/10/2017	-1220	Sale	20750	1.44
				24/11/2017	-10000	Sale	10750	0.75
				2/3/2018	-7000	Sale	3750	0.26

				23/3/2018	10000	Purchase	13750	0.95
		13750						
7	MAHENDRA GIRDHARILAL	15897	1.10					
		15897				Nil		
8	C MACKERTICH PRIVATE LIMITED	5000	0.35	23/3/2018	-160	Sale	4840	0.34
		4840						
9	RAIOMOND KHODADAD IRANI	9106	0.63	6/10/2017	-1416	Sale	7690	0.53
				13/10/2017	-360	Sale	7330	0.51
				27/10/2017	-210	Sale	7120	0.49
				31/10/2017	-119	Sale	7001	0.49
				16/2/2018	-30	Sale	6971	0.48
				23/2/2018	-150	Sale	6821	0.47
				2/3/2018	-100	Sale	6721	0.47
				9/3/2018	-350	Sale	6371	0.44
				16/3/2018	-639	Sale	5732	0.40
				23/3/2018	-145	Sale	5587	0.39
		5587						
10	3A FINANCIAL SERVICES LTD	4	0.00	2/3/2018	7000	Purchase	7004	0.49
		7004						

(v) **Shareholding of directors and Key Managerial Personnel:**

S. No	For each of the Director & KMP	Shareholding at the beginning/ end of the year		Date of Change	Increase/ Decrease in shareholding	Reason for increase or decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	Shareholding of Key Managerial Personnel							
1.	Vivek Dayaram Kohli							
	At the beginning of the year	0	0.00	23.06.2017	Increase	Purchase	1	0.00
	At the end of the year	1	0.00					0.00
2	M L Birmiwala							
	At the beginning of the year	0	0.00	23.06.2017	Increase	Purchase	2	0.00
	At the end of the year	2						0.00
3	Deepak Kejriwal							
	At the beginning of the year	5	0.00					
	At the end of the year	5	0.00					
1.	**Shareholding of Directors** **Mr. Shyam Sunder Bhuwania**							
	At the beginning of the year	70	0.004	There is no change in the shareholding during the financial year 2017-18.				
	At the end of the year	70	0.004					

V. INDEBTEDNESS:

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	1,341,066,493	729,574,305	NA	2,070,640,798
ii) Interest due but not paid	-	187,542,793	NA	187,542,793
iii) Interest accrued but not paid	8,682,853	-	-	8,682,853
Total (i + ii + iii)	**1,349,749,346**	**917,117,098**	**NIL**	**2,266,866,444**

Change in Indebtedness during the financial year (Principal Amount) - Addition - (Reduction)	 NIL (38,65,97,140)	 4,31,92,282 Nil	 NA NA	 4,31,92,282 (38,65,97,140)
Net Change	**(38,65,97,140)**	**4,31,92,282**	**NIL**	**34,34,04,858**
Indebtedness at the end of the financial year (31.03.2018) i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 96,31,52,206 - -	 71,73,49,578 23,01,32,124 1,28,27,678	 NA NA NA	 1,68,05,01,784 23,01,32,124 1,28,27,678
Total (i + ii + iii)	**96,31,52,206**	**96,03,09,380**	**NIL**	**1,92,34,61,586**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

S. No.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**			**Total Amount**
		Mr Raghavendra Anant Mody, Chairman and Whole time Director	**Mr. Shyam Sunder Bhuwania, Vice Chairman & Managing Director**	**Mr Vivek Dayaram Kohli, Whole Time Director**	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	 36,02,650 - -	 97,02,000 5,38,086 -	 1,09,44,242 2,55,484 -	 2,42,48,892 7,93,570 -
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission - as % of profit - others, specify	-	-		-
5.	Others, please specify	-	-		-
	Total (A)	**36,02,650**	**1,02,40,086**	**1,11,99,726**	**2,50,42,462**

B. Remuneration to other directors:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rajendra Prasad Mody	Mr. Vikram Aditya Mody	Ms. Suman Lata Saraswat	Mr. Ramawatar Joshi	Mr. Ratanlal Nangalia	Mr. Mool Chand Gauba	
1.	Independent Directors • Fee for attending Board / Committee meetings • Commission • Others, please specify	- - -	- - -	1,70,000 - -	1,20,000 - -	90,000 - -	1,30,000 - -	510,000
	Total (1)	**-**	**-**	**1,70,000**	**1,20,000**	**90,000**	**1,30,000**	**5,10,000**
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	10,000 - -	10,000 - -	- - -	- - -	- - -	- - -	20,000 - -
	Total (2)	**10,000**	**10,000**	**-**	**-**	**-**	**-**	**20,000**
	Total = (1+2)	**10,000**	**10,000**	**1,70,000**	**1,20,000**	**90,000**	**1,30,000**	**5,30,000**

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

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. M.L. Birmiwala, Sr. Vice President-Finance & Company Secretary	Mr Deepak Kejriwal, Chief Financial Officer	Mr. Anil Kumar Chandani, Chief Financial Officer	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	32,84,118 1,40,612 -	40,75,279 177534 -	42,70,650 - -	**11630047** **318146** **-**
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission - as % of profit - others, specify	-	-		-
5.	Others, please specify	-	-		-
	Total (A)	**34,24,730**	**42,52,813**	**42,70,650**	**1,19,48,193**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

S. No	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD /NCLT/Court)	Appeal made, If any (give details)
A. COMPANY					
Penalty Punishment Compounding	None				
B. DIRECTORS					
Penalty Punishment Compounding	None				
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	None				

For and on behalf of the Board of Directors

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

Place: New Delhi
Date: August 13, 2018

Particulars prescribed under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART- A

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Mr. Shyam Sunder Bhuwania	1:19
Mr. Vivek Dayaram Kohli	1:19

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

The percentage increase in remuneration of each Whole-time Director, Chief Financial Officer, Chief Executive Officer and Company Secretary ranges between 0% to 8%.

(iii) The percentage increase in the median remuneration of employees in the financial year

The percentage increase in the median remuneration of employees in the financial year is around 8 %.

(iv) The number of permanent employees on the rolls of company

The number of employees on permanent rolls of the company is 448.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Not applicable

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

A. Yes, the remuneration paid to all Key Managerial Personnel was in accordance with remuneration policy adopted by the Company.

PART- B

S. No.	Employee Name	Designation & Nature of Duties	Qualifications	Total Wok Experience (in yrs)	Date of Commencement of Employment	Age (in yrs)	Remuneration (in Rs.)	Previous Employment	
								Designation	**Name of the Company**
A.	**EMPLOYED FOR FULL YEAR AND IN RECEIPT OF REMUNERATION FOR THE YEAR WHICH IN AGGREGATE WAS NOT LESS THAN Rs.1,02,00,000/- PER ANNUM**								
1	Mr Shyam Sunder Bhuwania	Vice Chairman & Managing Director, CEO	FCA, L.L.B	45 years	01-06-1973	73	1,02,40,086	Administrative Officer	Hindusthan Development Corporation Limited
2	Mr. Vivek Dayaram Kohli	Whole Time Director	B.E – Electrical	35 years	29-10-2012	61	111,99,726	Chief Technology Officer	Sterlite Technologies Ltd.
B	**EMPLOYED FOR PART OF THE YEAR AND IN RECEIPT OF REMUNERATION FOR THE YEAR WHICH IN AGGREGATE WAS NOT LESS THAN RS. 8,00,000/- PER ANNUM**								
3.	Mr. Anil Kumar Chandani	Chief Financial Officer	B.Com (Hons), FCA & FCS & AICWA	25 years	01-02-2016	49	42,70,650	Sr. V.P-Corporate finance	HSIL Limited

Notes:

1. Employment of the above named officials are governed by the rules and regulations of the company from time to time.
2. All above persons are/were full time employees of the Company.
3. None of the above employees is related to any Director of the Company.
4. None of the above employees is covered under Rule 5(2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5. Remuneration comprises salary, allowances, perquisites/taxable value of perquisites etc.

For and on behalf of the Board of Directors

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

Place: New Delhi
Date: August 13, 2018

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance emerges from the application of best and sound business practices which ensure that the company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, lenders, creditors, stakeholders, employees and the society at large.

SEBI (Listing & Other Disclosures Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations') mandates certain disclosure requirements related to Corporate Governance, with the purpose of enhancing statutory compliances. In pursuance of this objective, we are pleased to report the following:

2. BOARD OF DIRECTORS

(i) Composition

The Board of Directors comprised of seven directors of which one promoter director who is Executive Director, a non-promoter Executive Director, one Non-Executive Director and four Non-Executive Independent Directors including a woman director who have adequate knowledge in the field of finance, marketing and administration etc.

(ii) Meeting, attendance and other directorships

The Board of Directors met seven times during the Year 2017-2018 i.e. on 15.05.2017, 21.07.2017, 31.08.2017, 29.09.2017, 22.11.2017, 31.01.2018, 22.03.2018.

Details of Memberships of the Directors on other Boards / Committees and attendance record of the Directors are given hereunder:

S. No.	Name of Directors	Category	Board Meetings		Other Directorship	Number of Chairmanship / Memberships in Committees *	
			Held	Attended		Membership	Chairmanship
1.	Mr. Rajendra Prasad Mody, Chairman #	Promoter, Non-Executive	2	1	10	-	-
2.	Mr. Vikram Aditya Mody #	Promoter, Non-Executive	2	1	1	-	-
3	Mr. Raghavendra Anant Mody, Whole time Director # #	Promoter, Executive	5	2	11	1	-
4.	Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director	Executive	7	7	3	3	-
5.	Mr.Vivek Dayaram Kohli###	Non-Executive	7	6	6	-	-
6.	Mr. Ramawatar Joshi ####	Independent	7	6	1	1	-
7.	Mr. Ratan Lal Nanglia	Independent	7	6	-	1	1
8.	Mr. Mool Chand Gauba	Independent	7	7	2	1	1
9.	Ms. Suman Lata Saraswat	Independent (Woman director)	7	7	6	2	4

Note: * The committees considered for the purpose are those prescribed under Clause 26(1)(b) of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

\# Mr. Rajendra Prasad Mody and Mr Vikram Aditya Mody, being father and son, are related to each other and they have resigned w.e.f 31.08.2017.

\## Mr. Raghavendra Anant Mody, appointed as additional director and as Whole time Director w.e.f 31.08.2017 and 03.10.2017 respectively.

\### Mr. Vivek Dayaram Kohli resigned as Whole time Director w.e.f. 31.03.2018 but continues as Non-Executive Director

\#### Mr. Ramawatar Joshi resigned w.e.f. 30.07.2018

Further, Mr. Sadhu Ram Bansal was appointed as additional director on 13-08-2018 in the category of Independent Director who holds office upto ensuing AGM.

Last Annual General Meeting held on 29.09.2017 was attended by six directors of company i.e. Mr. Shyam Sunder Bhuwania, Mr. Vivek Dayaram Kohli, Mr. Ratan Lal Nangalia, Mr. Mool Chand Gauba, Ms. Suman Lata Saraswat, Mr. Ramawatar Joshi.

(iii) Key functions of the Board

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions performed by the Board are:

a. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestments
b. Monitoring effectiveness of the Company's governance practices and making changes as needed
c. Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning
d. Aligning remuneration of the Key Managerial Personnel and the Board with long term interests of the Company and its shareholders
e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board
f. Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions
g. Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards
h. Overseeing the process of disclosure and communications
i. Monitoring and reviewing Board Evaluation framework
    (i) The Company ensures compliance of various statutory requirements by all its business units.
    (ii) All the Statutory Registers that are required to be maintained, are properly maintained and continuously updated.

(iv) FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through familiarization programme. The details of such familiarization programme are disclosed on the website of the company which can be observed on http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14.

(v) MEETINGS OF INDEPENDENT DIRECTORS

The meeting of Independent Directors was held on January 31, 2018 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

i) The performance of Non-Independent Directors and the Board as a whole;

ii) The quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations 2015, a separate exercise was carried out to evaluate the performance of individual Directors of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

The Chairman of the Company was appointed w.e.f. October 03, 2017 and due to short tenure on the Board, evaluation of his performance was not carried out by the Independent Directors.

3. AUDIT COMMITTEE

(i) Composition

The Audit Committee comprises of Mr. Mool Chand Gauba as Chairman, Mr. Raghavendra Anant Mody*, Mr. Shyam Sunder Bhuwania, Mr. Sadhu Ram Bansal**, Mr. Ratan Lal Nangalia*, and Ms. Suman Lata Saraswat as members.

Mr. M.L. Birmiwala is the Secretary of the Committee.

* Mr. Raghavendra Anant Mody and Mr. Ratan Lal Nangalia were inducted in the committee on 24-04-2018

** Mr. Sadhu Ram Bansal was inducted in the committee on 13.8.2018.

(ii) Meeting, quorum and attendance

The Audit Committee meets at least four times in a year with a gap not exceeding one hundred and twenty days between two consecutive meetings. The quorum for the meetings is two members or one third of members whichever is higher.

During the year, five meetings of the Committee were held on the following dates:

(i)15.05.2017 (ii) 31.08.2017 (iii)29.09.2017 (iv)22.11.2017(v)31.01.2018

The attendance of the members at Audit Committee meetings held during the year is as under:

Name of the Directors	No. of Meetings	
	Held	Attended
Mr. Mool Chand Gauba	5	5
Mr. Shyam Sunder Bhuwania	5	5
Ms. Suman Lata Saraswat	5	5

(iii) Terms of Reference

The Committee is overseeing the Company's financial reports and disclosure of its financial information and reviewing the adequacy of internal audit function. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and regulation 18 of the Listing Regulation. It recommends the appointment of Auditors and fixation of their remuneration and payment for any other services. It also approves the appointment & remuneration of the internal auditor and discuss the internal audit findings and observations from time to time. The Committee also reviews Annual Accounts of the Company. The previous Annual General Meeting of the Company was held on 29.09.2017 and was attended by Mr. Mool Chand Gauba, Chairman of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

(i) Composition

The Nomination and Remuneration Committee comprises of three Non-Executive Directors namely Mr. Mool Chand Gauba# as Chairman, Mr. Sadhu Ram Bansal##, Mr. Ratan Lal Nangalia and Ms. Suman Lata Saraswat as members.

Mr. M.L. Birmiwala is the Secretary of the Committee.

\# Mr. Mool Chand Gauba inducted in committee on 30.07.2018 in view of resignation of Mr. Ramawatar Joshi

\#\# Mr. Sadhu Ram Bansal was inducted in the committee on 13.8.2018.

(ii) Meeting, quorum and attendance

During the year, four meetings of the Committee were held on (i) 31.08.2017 (ii) 29.09.2017(iii) 22.11.2017(iv) 31.01.2018 . The quorum for the meetings is two members or one third of members whichever is higher.

The attendance of the members of Nomination and Remuneration Committee meetings held during the year is as under:

Name of the Directors	No. of Meetings	
	Held	Attended
Mr. Ramawatar Joshi#	4	4
Mr. Ratan Lal Nangalia	4	4
Ms. Suman Lata Saraswat	4	4

Resigned w.e.f. 30.07.2018

(iii) Terms of reference

Role of the Nomination and Remuneration Committee is to determine the Company's policy on the remuneration package of its Directors, Company's Senior Management including Key Managerial Personnel including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof. The Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

REMUNERATION POLICY

The details of Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is given in the Board's Report.

The Remuneration Policy of the Company is to ensure that Directors, Company's Senior Management including Key Managerial Personnel of the Company are rewarded in a fair and reasonable manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance.

The remuneration paid to the Directors, Company's Senior Management including Key Managerial Personnel is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board Meeting. Remuneration payable to Executive Directors is subject to the subsequent approval by the shareholders at the General Meeting and such other authorities, if required.

REMUNERATION OF DIRECTORS

Executive Director

Remuneration (including allowances and perquisites) was paid to the Executive Directors during the year under review as per the details given hereunder:

(Amount in Rs.)

Particulars	Mr. Shyam Sunder Bhuwania	Mr. Vivek Dayaram Kohli (upto 31.03.2018)	Mr. Raghavendra Anant Mody (w.e.f. Oct. 3, 2017)
Basic Salary	18,00,000/-	21,60,000/-	36,02,650/-
Allowance & Perquisites	84,40,086/-	90,39,726/-	-
Total	1,02,40,086/-	1,11,99,726/-	36,02,650/-

Non- Executive Directors

The Non-Executive directors and Independent directors were paid sitting fees of Rs.10,000/- each for every meeting of Board and other Committee.

The sitting fees payable to the Non-Executive directors and Independent directors for attending each board meeting was increased to Rs.20,000/- per director w.e.f. 13.08.2018.

The Company does not have any material pecuniary relationship/ transaction with any of its Independent Directors.

5. STAKEHOLDER'S RELATIONSHIP COMMITTEE

(i) Composition

The Committee comprises of two Non-Executive Directors and one Executive Director. The Chairman of the Committee is Mr. Sadhuram Bansal *, Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director, Mr. Ratan Lal Nangalia, Independent Director. and Ms. Suman Lata Saraswat, Independent Directors are the members of the Committee. Mr. M.L. Birmiwala is the Secretary of the Committee.

* Mr. Sadhuram Bansal was inducted in the committee on 13.8.2018.

(ii) Meeting, quorum and attendance

Since there was no complaints received from the stakeholders, no meeting of Stakeholder Relationship Committee was held. No grievances/complaints was pending at the end of financial year ended 31.03.18.

(iii) Terms of reference

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

Name and designation of Compliance Officer

Mr. M.L. Birmiwala, Sr. V. P. - Finance & Secretary of the Company is the Company Secretary and Compliance Officer for complying with the requirements of SEBI Regulations/guidelines including SEBI Listing Regulations with the BSE Limited. The Company has provided an email Id i.e. investors@hindusthan.co.in for the members to send their queries/grievances to the concerned department so that the queries/complaints are addressed.

6. SHARE TRANSFER COMMITTEE

The Committee consists of Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director and Mr. M. L. Birmiwala, Sr. V. P. - Finance & Secretary of the Company and responsible for approving the transfer, transmission, consolidation of securities, issuance of duplicate certificates etc. which are in physical form. Meeting of the Share Transfer Committee is held twice a month or as may be required to consider and approve the transfer/transmission of shares etc., if there is such a request. The Board takes note of the transfer of shares approved by the Committee in their next meeting. The Company has no transfer/consolidation requests pending at the close of the year.

The Committee is authorized to look into and review the reports relating to approval / confirmation of requests for share transfer / transmission / transposition / consolidation / issue of duplicate share certificates / sub-division, remat, demat of shares etc. from time to time.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

(i) Composition

CSR Committee comprises of Mr. Shyam Sunder Bhuwania as Chairman Mr. Mool Chand Gauba and Mr. Sadhu Ram Bansal# as members, Mr. M.L. Birmiwala is the Secretary of the Committee.

Since the company was not eligible to spend towards CSR activities on account of losses in preceding three years, therefore, no meeting of the CSR Committee was held and no expense was incurred.

Mr. Ramawatar Joshi, committee member resigned w.e.f. 30-07-2018 and Mr Sadhu Ram Bansal inducted on 13-08-2018.

8. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are as under:

Financial Year	Venue	Date	Time	Special Resolution Passed
2014-2015	Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi – 110001	21.09.2015	10.00 A.M.	Nil
2015-2016	Kanchenjunga, 7thFloor, 18, Barakhamba Road, New Delhi – 110001	30.09.2016	9:30A.M.	Yes*

2016-2017	Ghalib institute , Aiwan-e-Ghalib Marg, New Delhi-110002	29.09.2017	9:30A.M.	Nil

*The special resolution was passed for appointment and remuneration of Mr. Vivek Dayaram Kohli as whole time Director for a period of three years w.e.f. April 01, 2016.

No Special Resolution has been passed through Postal Ballot during the financial year 2017-18.

The Extra ordinary general meeting was held on November 22, 2017 at Ghalib Institute, Aiwan-e- Ghalib Marg, New Delhi-110002 to consider and approve the appointment and remuneration of Mr. Raghavendra Anant Mody as WholeTime Director.

9. DISCLOSURES

(i) Materially significant related party transactions i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in notes of Standalone Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its subsidiaries. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests.

(ii) Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/Statutory Authorities on any matter related to capital markets during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets.

(iii) Pecuniary relationships or transactions with Non-Executive Directors:

None

(iv) The Company has a Whistle Blower Policy in place as per the provision of Companies Act, 2013 and as required by the Listing Regulationswith Stock Exchange. During the year under review, no employee was denied access to the Audit Committee. The Whistle Blower Policyis hosted on the website of the Company.

(v) Material non-listed subsidiary Companies as defined in Regulation 16 of the Listing Regulations:

Hindusthan Speciality Chemicals Limited and Hindusthan Vidyut Products Limited and Hindusthan Projects Limited are wholly owned subsidiary Companies.

Mr. Shyam Sunder Bhuwania, Mr. Raghavendra Anant Mody, Mr. Vivek Dayaram Kohli, Mr. Ramawatar Joshi and Mr Mool Chand Gauba, Directors of the Company are also the Directors in the subsidiary Company i.e. Hindusthan Speciality Chemicals Limited.

Mr. Shyam Sunder Bhuwania, Mr. Raghavendra Anant Mody and Mr. Vivek Dayaram Kohli, Directors of the Company are also the Directors in the subsidiary Company i.e. Hindusthan Vidyut Products Limited and Hindusthan Project Limited.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has adopted a Code of Conduct for its Directors and Senior Management personnel and the same has been posted on the Company's website.

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

10. MEANS OF COMMUNICATION

(i) Quarterly Results

The Company's quarterly results are approved and taken on record by the Board within the prescribed period and sent immediately to Bombay Stock Exchange. These results are normally published in newspapers i.e. Financial Express in English & Jansatta in Hindi.

(ii) Website

Detailed information on the Company's business and products; quarterly/half yearly/nine months and annual financial results are displayed on the Company's website i.e. www.hindusthanurban.com.

(iii) Annual Report

Annual Report contains inter-alia Audited Annual Accounts, consolidated Financial Statement, Board's Report and Auditors' Report.

(iv) The Management Discussion & Analysis report

The Management Discussion & Analysis Report forms part of the Annual Report.

(v) Intimation to Stock Exchanges

The Company is timely submitting the required information, statement and report to the BSE Ltd. The Company intimates Stock Exchange all price sensitive information which in its opinion are material & of relevance to the shareholders.

11. GENERAL SHAREHOLDER INFORMATION

i.	Annual General Meeting	:	September 28, 2018
	Date, Time and venue	:	9:30 A.M
			Hotal Connaught Royale 106, Babar Road, Opp. Word Trade Centre, Connaught Place, New Delhi-110001
ii.	Financial Calendar(Tentative)		
	Financial Reporting for Quarter ending June 30, 2018	:	Before August 14, 2018
	Financial Reporting for Quarter ending September 30, 2018	:	Before November 14, 2018
	Financial Reporting for Quarter ending December 31, 2018	:	Before February 14, 2019
	Financial Reporting for Quarter/ year ending March 31, 2019 (Audited)	:	Before May 30, 2019
iii.	Book Closure	:	September 15, 2018 to September 28, 2018
iv.	Dividend Payment date	:	The Board has recommended a dividend of Re.1/- per equity share of Rs.10/- each on the paid up share capital of the Company to be considered by the members in the forthcoming Annual General Meeting. The said dividend if declared by the shareholders shall be paid to all the members as on the date of Annual General Meeting on or before 26.10.2018
	Mode of Payment	:	The members may avail the facility to receive the dividend for the year by way of ECS transfer/dividend warrants or as per the bank mandates.
v.	Listing of equity shares	:	Equity Shares of the Company are listed on BSE Ltd
vi.	Stock Code	:	539984 with BSE. For dematerialization –INE799B01017
vii.	Registrar & Transfer Agents:	:	Skyline Financial Services Private Limited D-153/A, First Floor, Okhla Industrial Area, Phase-1, New Delhi – 110020 Phone no. :011-40450193-97 Email:info@skylinerta.com Website:www.skylinerta.com

viii.	Share Transfer System	:	The share transfer committee meets twice a month to approve the transfer / transmission /transposition, issue of duplicate share certificates and consolidation of shares in physical form in case there is/are such request and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013/Guidelines of the Stock Exchange.
ix.	Distribution of Shareholding as on March 31, 2018		

As on March 31, 2018, your Company had 1213 shareholders having the total equity shares. The following is the distribution:

No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
1 – 500	1125	92.75	85188	5.90
501 – 1000	39	3.21	29363	2.04
1001 – 2000	16	1.32	21569	1.49
2001 – 3000	14	1.15	35044	2.43
3001 – 4000	0	0	0	0
4001 – 5000	4	0.33	18956	1.31
5001 – 10000	4	0.33	28532	1.98
10001 & above	11	0.91	1224233	84.85
Total	**1213**	**100**	**1442885**	**100.00**

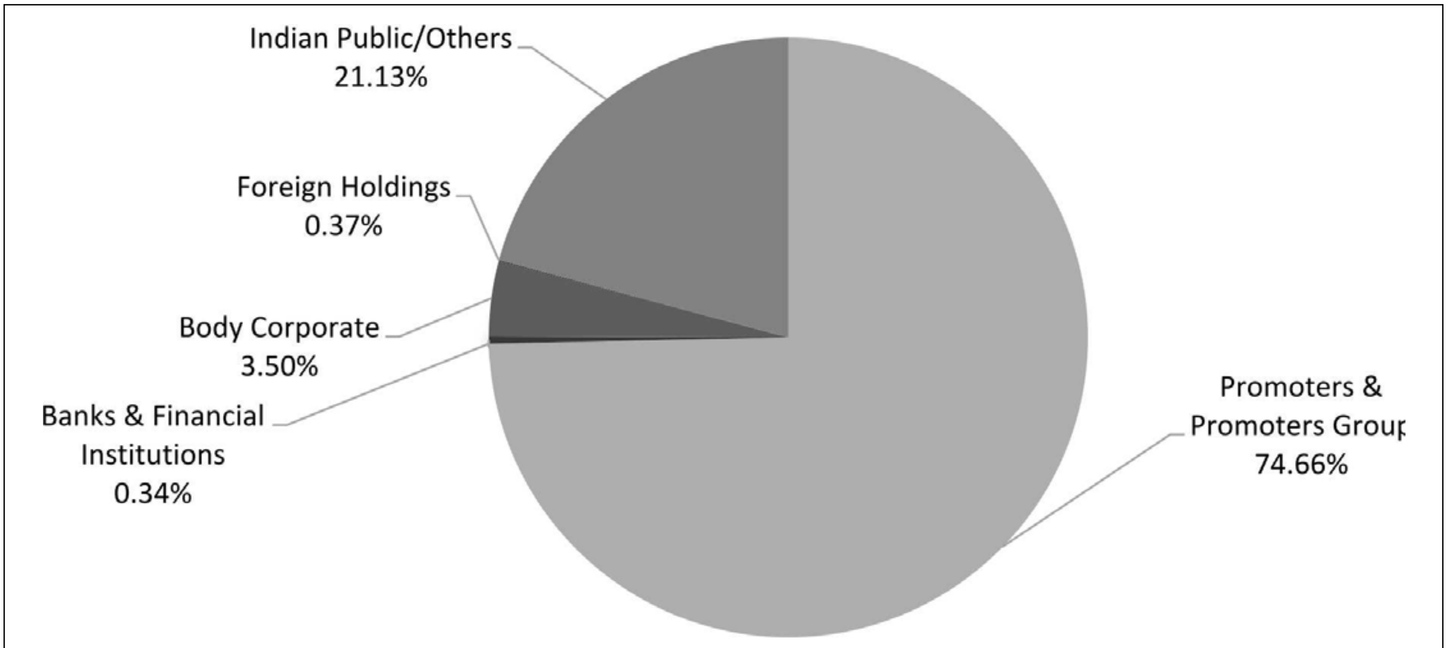
xi. Dematerialization of Shares:

The Company entered into tripartite agreement with both Depositories i.e, the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate holding and trading of securities in electronic form. The dealing in Company's equity shares is in demat form only. As on date 95.51% of equity capital of the Company has been dematerialised.

xii.	Outstanding Stock Option	:	There are no outstanding warrants or any convertible instruments as on March 31, 2018
xiii.	Plant Locations	:	Plot No. 321, 325/1386, Champajhara, Mallipada Distt.-Khurda-752108, Odisha
		:	Insulators & Electricals Company (Insulator Division) 1-8, New Industrial Area, P.B. No. 1, Mandideep-460046 (M.P)
		:	Plot No. 1C, Brahmaputra Industrial Park, Village: Sila, P. O. College Nagar, North Guwahati, Distt. Kamrup – 781031 (Assam)
xiv.	Address for Correspondence	:	Hindusthan Urban Infrastructure Limited, Kanchenjunga, 7th Floor,18, Barakhamba Road, New Delhi – 110001
	E-mail	:	investors@hindusthan.co.in
	Website	:	www.hindusthanurban.com
	Phone No.	:	011 23310001(5 Lines)
	Fax No.	:	011-23313707

xv. The Shareholding Pattern as on March 31, 2018

	Shares held by	No. of Shares	% of Shareholding
I.	Promoters& Promoters Group	1077245	74.66
II.	Public Shareholding		
	1. Banks and Financial Institutions	5000	0.34
	2. Bodies Corporate	50459	3.50
	3. Foreign holdings (NRIs)	5329	0.37
	4. Indian Public/ Others	304852	21.13
	Total	**1442885**	**100.00**



xvi. Market Information

Monthly high/low of the market price of the Company's Equity Shares (of Rs.10 each) traded on BSE Limited during the financial year 2017-18 is given thereunder:

Month	BSE Limited*	
	High (in Rs.)	Low(in Rs.)
April-17	780.00	693.10
May-17	780.00	672.00
June-17	728.50	626.00
July-17	970.00	678.00
Aug-17	968.95	770.10
Sep-17	930.00	778.00
Oct-17	1,199.95	870.00
Nov-17	1,525.00	1,050.10
Dec-17	1,575.00	1,312.00
Jan-18	1,650.00	1,280.40
Feb-18	1,218.00	982.00
Mar-18	1,137.00	899.00

* Source is www.bseindia.com

xvii	Unclaimed Dividend	:	The dividend for the year 2009-2010 remaining unclaimed for a period of 7 years has been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 123 of the Companies Act, 2013 as per the dates given below:-
	Date of Payment of Dividend	:	14.08.2010
	Date of transfer to Unclaimed/Unpaid Investor Education and Protection Fund		16.08.2017
xviii	Unclaimed Shares		The Company has transferred 9241 equity shares in respect of which the dividend was unpaid / unclaimed from 2008-09 to 2015-16 to the Investor Education Protection Authority in their designated demat account. The unclaimed dividend for the financial year 2010-2011 onwards shall be transferred to Investor Education and Protection Fund established and notified by the Central Government, after a period of seven years, from the relevant dates. Thus, on or before 09.10.2018, Unclaimed Dividend for the financial year 2010-11 will be transferred to the fund. Members who have not en-cashed their dividend warrants for the aforesaid year may approach the Company for obtaining duplicate dividend warrants/revalidation of dividend warrants before this date.

ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS OF LISTING REGULATIONS

The Company has complied with all mandatory requirements of Listing Regulations. The Company has adopted following non-mandatory requirements of Listing Regulations.

a) Audit Qualification

The statutory Auditors have expressed unmodified opinion on the financial statements.

b) Reporting of Internal Auditor

The Internal Auditors of the Company directly reports to the Audit Committee which oversees the internal audit functions.

For and on behalf of the Board of Directors

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

Place: New Delhi
Date: August 13, 2018

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

In accordance with SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby confirm that all the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board Members and Senior Management for the year ended 31st March, 2018.

For Hindusthan Urban Infrastructure Limited

Sd/-

Shyam Sunder Bhuwania

DATE: 3rd May, 2018 **Vice Chairman and Managing Director**

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

1. We, **K.N. GUTGUTIA & COMPANY, CHARTERED ACCOUNTANTS**, the Statutory Auditors of **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED** (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures and supporting documents and records to ensure the compliance with conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

   We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

4. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this Certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2018.

7. We 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 K. N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B. R. GOYAL)
PARTNER
M. NO. 12172

PLACE: NEW DELHI
DATE: August 13, 2018

CEO & CFO CERTIFICATE

We hereby certify that-

a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief;

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii. These statements together present a true and fair view of the Company's affair and are in accordance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 fraudulent, illegal or violate the Company's code of conduct.

c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal controls system of the company pertaining to financial reporting Deficiencies in the design or operation of internal controls, if any of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference.

   (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.

   (iii) we are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi	**Deepak Kejriwal**	**Shyam Sunder Bhuwania**
Date: 3rd May, 2018	**(Chief Financial Officer)**	**(Vice Chairman & Managing Director)**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

Power being one of the components of infrastructure crucial for the economic growth of nations, the existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity, massive addition to the installed generating capacity is required.

2. Opportunities & Threats

There are opportunities for more Porcelain Insulators sales due to higher investment planned in power sector resulting into subsequent higher demand. We are also roping in new buyers.

The CRU Summary report published in March 2018 states that as part of promise to provide electricity to all its citizens, government of India is garnering investments through a mix of higher budgetary allocations to various related schemes and by boosting private sector funding through Public Private Partnership (PPP). The increased funds have accelerated project activity and led to a higher consumption of aluminium conductor.

The TBCB (Tariff based competitive bidding) and also turnkey route of projects rather than direct purchase by user, prices are going to push further down ward leading to erosion of bottom line for the product manufacturer..

3. Segment-wise or Product-wise Performance

During the year revenue from operations of Insulator Division has increased by 6.22% from Rs. 200.52 crs in FY 2016-17 to Rs. 212.99 Crs. in FY 2017-18(Excluding excise and GST) and profit before Interest & Tax has grown 2.33% from Rs. 16.34 Crs. in FY 2016-17 to Rs. 16.72 Crs in FY 2017-18.

During the year revenue from operations of Conductor Division has decreased by 3.28% from Rs. 500.49 crs to Rs. 484.08 Crs. while profit before Interest & Tax has fallen to Rs. 13.91 Crs. as compared to Rs. 15.05 Crs in previous financial year We are hopeful that our performance in coming year shall improve with our own strengths of lower costs in logistics, packing and higher volume procurement strategy for Aluminium ingots and to convert the same into rods in our rolling mill at a lower cost to cater our needs.

4. Future Outlook

The government's immediate goal is to doubling the current production of energy by 2019 to provide 24x7 electricity for residential, industrial, commercial and agriculture use.

For which number of steps and initiatives like 10-year tax exemption for solar energy projects, etc. are being taken. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

The Government of India plans to start as many as 10,000 solar, wind and biomass power projects in next five years, with an average capacity of 50 kilowatt per project, thereby adding 500 megawatt to the total installed capacity.

Minister of State for Power outlined Government of India's goal to provide electricity to every home in India by 2020, while also focusing on ensuring the cost of power is affordable to everyone. The Government of India announced a massive renewable power production target of 175,000 MW by 2022; this comprises generation of 100,000 MW from solar power, 60,000 MW from wind energy, 10,000 MW from biomass, and 5,000 MW from small hydro power projects.

Insulator division is maintaining sustained service level to its existing customers. Insulators with 245kv, 400kv & 765 KV for Circuit Breakers have been developed in order to have part of the business from Circuit Breaker Manufacturers. However, future market is not looking good seeing the immense pressure on prices and high degree of competition.

5. Risk and Concerns

In-spite of significant investments in the power sector, electricity prices have come down on account of more tariff-based competitive bidding projects coupled with the increase in aluminium prices has led conductor manufacturer to adopt a wait-and-watch attitude. Conductor manufacturer are hoping to prevent a build-up of working capital as the same volume of material purchased would lead to a higher portion of cash being blocked. Consequently lower trading and buying activity in the market resulting to reduction in demand of your products. This is primarily from those projects where a bid has been awarded to a winning manufacturer but the manufacturer is still going through their own ordering cycle.

Recent solar auction prices have seen tariff prices declining. In order to keep the projects viable, solar plant developers are negotiating lower prices, in turn putting pressure on EPC contractors and equipment suppliers. Consequently transmission and distribution pricing has yet to see any significant improvement and demand continues to be weak.

6. **Internal control systems and their adequacy**

   The company is having adequate internal control systems and procedures commensurate with the size of the company. The company has successfully implemented SAP in key functions to improve operational efficiency and faster management reporting system. The company is implementing a Legal Compliance Tracker Soft to ensure robust compliance and governance system The Company has appointed an external CA Firm as Internal Auditors, which is supplemented by in-house internal audit team which ensures that the internal control systems and standard operating systems are properly followed and no room is left for any fraud or embezzlement. The Audit Committee is regularly reviewing the Internal Audit Reports for the audit carried out in all the key areas of the operations. All Internal Audit Reports are regularly placed before the Audit Committee for their approval and advising appropriate action, wherever required.

7. **Human Resources/Industrial Relations**

   It is the company's belief that the Human Resource is the driving force towards progress and success of a Company. In order to bring focus in HR Systems, Company has implemented system and procedures in HR system in line with the industry standards. The company seeks to motivate and retain its professional by offering reasonable compensation and opportunity to grow in the organisation by systematic training for all employees and with career and succession plans in place. The total permanent employee's strength of the company was 448 as on 31.03.2018. The industrial relations in all Works remained cordial during the year.

8. **Financial/ Operational performance:**

   The total standalone revenue from operations has decreased by about 2.93% mainly due to lower order delivery resulting in lower overall profit after taxation and before depreciation of Rs. 18.01 Crores.

9. **Cautionary Statement**

   This report to the Shareholders is in compliance with the Corporate Governance Standard incorporated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and as such cannot be construed as holding out for any forecast, projection, expectation, invitation, offer, etc. within the meaning of applicable Securities' Laws and Regulations.

   Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to Company's operations include domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

Place: New Delhi
Date: August 13, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying Standalone Ind AS financial statements of Hindusthan Urban Infrastructure Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss,(including Other Comprehensive Income) the Cash Flow Statement & Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information(herein after referred to as "standalone Ind AS financial statements.")

Management's responsibility for the Standalone Ind AS Financial Statements

2. 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 including of the Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

   In conducting our audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

   We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section143 (10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatements.

4 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. We did not audit the financial statements of Guwahati Unit of the Company included in the standalone Ind AS financial statements, whose financial statement reflect total assets of Rs. 9,503.63 Lakhs as at 31st March, 2018 and total

revenues of Rs. 10,141.58 Lakhs for the year ended 31st March, 2018 as considered in the standalone Ind AS financial statements. These financial statements have been audited by the other auditor, whose report has been furnished to us by the management and our opinion on the standalone Statement, in so far as it relates to the amounts and disclosure included in respect of Guwahati Unit is based solely on the report of the other auditor.

Report on Other Legal and Regulatory Requirement

8. As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order.

9. As required by Section143 (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 purpose of our audit;

   b. in our opinion proper Books of Accounts as required by the law have been kept by the Company, so far as appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of changes in Equity 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 Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

   e. on the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as director in terms of section 164(2) of the Companies Act, 2013 ;

   f. With respect to the adequacy of the Internal Financial Controls over the financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors)Rules,2014, as amended ,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 litigation on its financial position in its standalone Ind AS financial statement- Refer Note. 31 to the standalone Ind AS financial statement;

      II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      III. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)

PLACE: NEW DELHI **PARTNER**
DATE: 03rd MAY, 2018 **M.NO. 12172**

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure "A" referred to in paragraph 7 of our report of even date to the members of Hindusthan Urban Infrastructure Limited on the Standalone Ind AS Financial Statements for the year ended 31st March, 2018.

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

(b) As explained to us, physical verification of fixed assets has been carried out by the company and no material discrepancies were noticed on such verification. In our opinion, this periodicity and manner of physical verification is reasonable having regard to the size of the company and the nature of its assets..

(c) According to the information and explanations given to us, title deeds of immovable properties of the company are held in the name of the Company.

ii) (a) The inventories have been physically verified during the year lying at various project sites by the management at reasonable intervals.

(b) In our opinion, no material discrepancies were noticed on physical verification of stocks.

iii) According to the information and explanations given to us during the year, the Company has, during the year, granted unsecured loan to its wholly owned subsidiary company covered in the register maintained under sec 189 of the companies act, 2013. The terms and conditions of the grant of such loans are not prejudicial to the company's interest. The borrower has been regular in paying interest on loan and there is no overdue principal amount at the year end.

iv) According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of making Investment, grants of Loans and providing guarantees.

v) The Company has not accepted any deposits during the year and hence paragraph 3(v) of the Order is not applicable to the Company.

vi) Pursuant to the rules made by the central government of India, the company is required to maintain cost records as specified under section 148(1) of the act in respect of its products. We have broadly reviewed the same, and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) (a) According to the records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax , Sales Tax , Service Tax, Goods & Service Tax, Duty Of Custom, Duty Of Excise, Value Added Tax, Cess and other statutory dues wherever applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty Of Customs, Service Tax, GST, Cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the records and information and explanations given to us and the records of the company examined by us, dues of Income Tax, Sales Tax Service Tax, Goods & Service Tax, Duty Of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues which have not been deposited on account of disputes are as follows:

Name of the Statute	Nature of dues	Amount (in Rs.) (net of amount paid)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Haryana	1,720,197	2004-05	Sales Tax Tribunal, Chandigarh
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	552,926	1995-96	Assistant Commissioner, (Assessment) Ghaziabad
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	925,200	2001-02	Hon'ble High Court, Allahabad

Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	70,678	1985-86	Tribunal, Ghaziabad
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	2,895,512	2013-14	Commissioner of Vat(Appeal), Gwalior
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	7,639,214	2014-15	Commissioner of VAT (Appeal), Gwalior
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Bhopal	603,441	2013-14	MP Commercial Tax Appeal Board, Bhopal
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Bhopal	2,857,782	2011-12	Addl. Commissioner of Tax, Bhopal
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Bhopal	1,783,192	2012-13	Addl. Commissioner of Tax, Bhopal
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Bhopal	434,478	2014-15	MP Commercial tax Appeal Board, Bhopal
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Bhopal	1,515,021	2015-16	MP Commercial tax Appeal Board, Bhopal
Municipal Corporation, Faridabad	Development Charges at Faridabad, Work Land	13,712,183	2013-14	Hon'ble High Court, Chandigarh
Central Excise	No Proper Endorsement On Bill of Entry	31,869,030	Feb 2009-Aug 2009	Commissioner of custom/excise and service tax, Indore
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales tax/ Gwalior	22,337,420	2015-16	Commissioner of Vat (Appeals), Gwalior
Central Excise	Central Excise, Khurda	2,221,811	2015-16	Commissioner (Audit) – GST & Central Excise
Central Excise	Central Excise, Bhopal	1,860,764	2009-10	DY. Commissioner of custom/excise and service tax, Bhopal
Central Excise	No Proper Endorsement On Bill of Entry	11,969,731	2009-10	Commissioner of custom/excise and service tax, Indore
Central Excise	Evaded payment of Central Excise Duty and cess against Duty on Vat remission	6,102,510	2012-13	Commissioner (Appeals), custom & central excise, Guwahati
Central Excise	Evaded payment of Central Excise Duty and cess against Duty on Vat remission	2,562,394	2014-15	Commissioner (Appeals), custom & central excise, Guwahati
Income Tax Department	Income Tax	1,840,570	2005-06	ITAT, New Delhi
Income Tax Department	Income Tax	148,860	2007-08	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	3,170,477	2010-11	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	7,378,430	2011-12	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	833,127	2013-14	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	426,998	2014-15	CIT, Appeals, Kolkata

Apart from these dues, the company has received demand of Rs. 66,927,117/- from income tax department related to assessment year 13-14 & 14-15, however the credit of advance income tax of Rs. 4,66,00,000/- has not been adjusted against the liability at the time of assessment but the same is reflecting in records of income tax department (As per statement of 26AS) and balance demand is due to interest charged on the above. The company has filed rectification for the said demand.

viii) Based on our audit procedures and according to the information given by the management, the company has not defaulted repayment in respect of any loans or borrowings from any financial institution, bank, government. The company did not have any outstanding debentures during the year.

ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of any initial public offer or further public offer (including debt instrument) and the monies raised by way of term loans were applied for the purpose for which the loans were obtained.

x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud by the Company or any fraud on the company by its officer or employees has been noticed or reported during the course of our audit.

xi) On the basis of records and information and explanations made available and based on the examination of the records of the company, managerial remuneration which has been paid or provided is in accordance with the provisions of Section 197 read with schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence c 3 (xii) of the Order is not applicable to the Company.

xiii) As per the information and explanations and records made available by the management of the company and audit procedure performed, for the related parties transaction entered during the year, the company has complied with the provisions of sec 177 and 188 of the act, wherever applicable. As explained, as per records and details made available to us such related parties transactions have been disclosed in the note no. 34 of standalone financial statements as required by the applicable accounting standards.

xiv) According to the records of the company, it has not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year under report. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.

xv) According to information and explanation given to us and based on the examination of the records of the company, the Company has not entered into any non-cash transaction with Director or person connected with him. Hence paragraph 3 (xv) of the Order is not applicable to the Company.

xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence paragraph 3 (xvi) of the Order is not applicable to the Company.

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)
PARTNER
M.NO. 12172

PLACE: NEW DELHI
DATE: 03rd MAY, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED)

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

We have audited the internal financial controls over financial reporting of Hindusthan Urban Infrastructure Limited ("the Company") as at 31st March, 2018 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". 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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 March 31st, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)

PLACE: NEW DELHI **PARTNER**
DATE: 03rd MAY, 2018 **M.NO. 12172**

BALANCE SHEET AS AT MARCH 31, 2018

			Particulars	Note No.	As at March 31, 2018 (₹)	STANDALONE As at March 31, 2017 (₹)	As at April 1, 2016 (₹)
I.	ASSETS						
	(1)	Non - current assets					
		(a)	Property, Plant and Equipment	2	4,030,281,984	4,114,249,433	4,193,983,818
		(b)	Capital work - in - progress	3	37,707,569	25,918,015	26,302,382
		(c)	Investment Property	4	112,411,470	114,511,470	112,718,537
		(d)	Other Intangible Assets	5	23,152,730	28,562,453	1,748,479
		(e)	Financial assets				
			(i) Investment	6	835,357,327	825,019,099	789,349,590
			(ii) Other Financial Assets	9	22,843,754	2,000,000	23,672,537
			(iii) Loans	10	-	295,300	311,000
		(f)	Other non - current assets	13	90,040,931	78,100,697	76,698,929
		Total non - current assets			**5,151,795,765**	**5,188,656,467**	**5,224,785,272**
	(2)	**Current assets**					
		(a)	Inventories	7	658,092,088	580,307,880	534,661,697
		(b)	Financial assets				
			(i) Investment	6	30,928,706	-	-
			(ii) Trade receivables	8	2,043,521,277	2,188,845,526	2,431,540,332
			(iii) Cash and cash equivalents	9	89,130,759	5,523,756	9,780,255
			(iv) Other bank balances	9	23,965,377	58,010,985	14,222,650
			(v) Loans	10	2,048,555	22,389,362	2,555,745
			(vi) Other Financial Assets	11	1,894,766	12,447,172	6,929,173
		(c)	Current Tax Assets (Net)	12	103,139,107	99,694,431	97,834,002
		(d)	Other Current Assets	13	166,294,118	203,207,510	267,535,964
		Total current assets			**3,119,014,753**	**3,170,426,622**	**3,365,059,818**
		Total Assets			**8,270,810,518**	**8,359,083,089**	**8,589,845,090**
II.	**EQUITY AND LIABILITIES**						
	EQUITY						
		(a)	Equity share capital	14	14,428,850	14,428,850	14,428,850
		(b)	Other equity		4,038,770,404	4,009,547,867	3,997,833,269
		Total equity			**4,053,199,254**	**4,023,976,717**	**4,012,262,119**
	LIABILITIES						
	(1)	**Non - current liabilities**					
		(a)	Financial liabilities				
			(i) Borrowings	15	1,010,882,795	1,139,002,564	1,098,893,625
		(b)	Provisions	18	51,967,698	51,766,275	48,178,082
		(c)	Deferred tax liabilities (net)	19	474,518,635	505,903,833	532,837,134
		(d)	Other Non-current liabilities	20	12,548,816	29,153,526	11,579,486
		Total non - current liabilities			**1,549,917,944**	**1,725,826,198**	**1,691,488,327**
	(2)	**Current liabilities**					
		(a)	Financial liabilities				
			(i) Borrowings	15	532,878,948	793,374,178	1,003,183,624
			(ii) Trade payables	16	1,561,314,200	1,244,317,624	1,393,558,593
			(iii) Other financial liabilities	17	126,862,521	138,195,582	148,662,346
		(b)	Other current liabilities	20	396,522,205	361,487,371	269,055,901
		(c)	Provisions	18	50,115,446	71,905,419	71,634,180
		Total current liabilities			**2,667,693,320**	**2,609,280,174**	**2,886,094,644**
		Total Equity & Liabilities			**8,270,810,518**	**8,359,083,089**	**8,589,845,090**
		Significant accounting policies		**1**			
		Notes to the financial statements		**2-46**			

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of
Hindusthan Urban Infrastructure Ltd

As per our report of even date
For K. N. Gutgutia & Company
Chartered Accountants
FRN: 304153E

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May 2018

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and
Managing Director

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr. V.P. Finance &
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Particulars	Note No.	STANDALONE Year ended March 31, 2018 (₹)	Year ended March 31, 2017 (₹)
I	Revenue from operations	21	7,054,609,784	7,267,814,190
II	Other income	22	95,260,597	89,418,798
III	**Total income (I + II)**		**7,149,870,381**	**7,357,232,988**
IV	**Expenses :**			
	Cost of Materials Consumed	23	4,652,635,150	4,348,351,058
	Purchase of Stock-In-Trade	23	-	5,187,006
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(24,747,386)	19,547,084
	Excise Duty on sales		192,413,000	706,832,512
	Employee benefits expense	25	303,508,069	298,000,050
	Finance costs	26	375,744,232	370,152,024
	Depreciation and amortization expense	27	160,825,704	153,702,505
	Other expenses	28	1,522,670,998	1,460,826,390
	Total expenses		**7,183,049,767**	**7,362,598,629**
V	**Profit /(Loss) before exceptional items and tax (III - IV)**		**(33,179,386)**	**(5,365,641)**
VI	Exceptional items	30	(23,102,470)	-
VII	**Profit/(Loss) before tax (V - VI)**		**(10,076,916)**	**(5,365,641)**
VIII	**Tax expense/(benefit)**			
	(1) Current tax		-	-
	(2) Deferred tax		(29,367,197)	(31,942,079)
			(29,367,197)	(31,942,079)
IX	**Profit / (Loss) for the year (VII - VIII)**		**19,290,281**	**26,576,438**
X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss	29	2,711,157	(3,569,706)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		837,748	(1,180,252)
	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		-	-
	Total Other Comprehensive Income for the year		3,548,905	(4,749,958)
XI	**Total Comprehensive Income for the year (IX + X)**		**22,839,186**	**21,826,480**
XII	**Earnings per equity share:**			
	(1) Basic		13.37	18.42
	(2) Diluted		13.37	18.42
	Significant accounting policies	**1**		
	Notes to the financial statements	**2-46**		

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of Hindusthan Urban Infrastructure Ltd

As per our report of even date
For K. N. Gutgutia & Company
Chartered Accountants
FRN: 304153E

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May 2018

Vivek Dayaram Kohli
((DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and Managing Director

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr. V.P. Finance & Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

	Particulars	STANDALONE Year ended March 31, 2018 (₹)	Year ended March 31, 2017 (₹)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit /(Loss) Before Tax	**(10,076,916)**	**(5,365,641)**
	Adjustments for :		
	Depreciation & amortisation expenses	160,825,704	153,702,505
	Unrealised Foreign Exchange Fluctuation Loss/(Gain)	83,269	2,503,420
	Finance Cost	375,744,232	370,152,024
	Provision for Liquidated Damages/ Bad Debts W/off	6,460,434	5,655,704
	Liability/Sundry Balance Written back	(8,023,550)	(11,955,697)
	Provision for Employee Benefits	(2,859,954)	12,821,659
	Re-measurement of defined benefit plans transferred to OCI	2,711,157	(3,569,706)
	Rental Income	(8,479,117)	-
	Exceptional Items	(23,102,470)	-
	Interest Income	(13,015,561)	(17,840,296)
	Dividend Income	(826,727)	-
	Profit on Sale of Fixed Assets(PPE)	(0)	(3,665,541)
	Profit on Sale of Investment	(24,530,661)	(6,479,307)
	Gain on Mark to Market of Investments	(18,305,357)	(48,918,008)
	Deferred Government Grant transferred	(1,463,101)	(1,463,101)
	Operating Profit Before Working Capital Changes	**435,141,382**	**445,578,016**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	138,686,143	234,448,696
	(Increase)/Decrease in Loans & Advances and Other Assets	24,042,074	48,120,568
	(Increase)/Decrease in Inventories	(77,784,207)	(45,646,183)
	Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	294,616,921	(82,953,434)
	Cash Generated from Operations	**814,702,313**	**599,547,662**
	Direct Tax Paid (net of refund)	3,444,676	1,860,429
	Net Cash Inflow /(Outflow) from Operating Activities	**811,257,637**	**597,687,233**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition / Purchase of Fixed Assets (PPE)	(93,342,160)	(121,643,629)
	Sale Proceeds of Fixed Assets(PPE)	38,663,591	10,590,099
	Purchase of Investment	(342,000,000)	(354,086,932)
	Investment in Equity Share Capital in Subsidiary company	(198,393,820)	(36,720,000)
	Sale of Investments in shares / mutual funds	544,062,904	408,741,807
	Interest Income Received	17,019,742	14,598,787
	(Investment)/redemption in Term Deposit with bank as margin money (including unclaimed dividend)	13,201,854	(22,115,798)
	Dividend Income Received	826,727	-
	Rental Income	8,479,117	-
	Loans repaid by/(given to) Related parties		
	Loan received back from Subsidiary	22,000,000	2,200,000
	Loan given to Subsidiary (net)	-	(22,000,000)
	Net Cash Inflow /(Outflow) from Investing Activities	**10,517,955**	**(120,435,666)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds From / (Repayment) of Short Term Borrowings (net)	(265,686,436)	(204,721,740)
	Loan taken from /(repaid to) Related parties	(3,657,372)	74,750,000
	Proceeds From Long Term Borrowings	-	84,400,000
	Repayment of Long term Borrowings	(117,419,056)	(112,713,146)
	Finance Cost Paid	(349,581,362)	(321,477,923)
	Dividend Paid (including DDT)	(1,824,362)	(1,745,256)
	Net Cash Inflow /(Outflow) from Financing Activities	**(738,168,590)**	**(481,508,066)**
	Net Increase/ (Decrease) in cash & cash equivalents	**83,607,003**	**(4,256,498)**
	Cash & cash equivalents at Beginning of the Year	5,523,756	9,780,255
	Cash & cash equivalents at End of the Year	**89,130,759**	**5,523,756**
	Components of cash & cash equivalents:		
	- Balance with Banks : On current accounts	88,429,548	3,564,682
	- Cash on hand	701,211	1,959,074
		89,130,759	**5,523,756**

1) The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS-7 : Statement of Cash Flows
2) Acquisition/Purchase of fixed assets includes movement of capital work in progress, Intangible assets under development and capital advances & capital payable, paid during the year.

Significant accounting policies	**1**
Notes to the financial statements	**2-46**

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of Hindusthan Urban Infrastructure Ltd

As per our report of even date
For K. N. Gutgutia & Company
Chartered Accountants
FRN: 304153E

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and Managing Director

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May 2018

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr. V.P. Finance & Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital

Particulars	Issued		Subscribed & fully paid up	
Equity shares of Rs 10 each	No of Shares	Amount	No of Shares	Amount
As at April 1, 2016	1443000	14430000	1442885	14428850
As at March 31, 2017	1443000	14430000	1442885	14428850
As at March 31, 2018	1443000	14430000	1442885	14428850

B Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Surplus / (Deficit)	Remeasurement of Defined Benefit Plans	Total
Balance as at 01.04.2016 (A)	**2,643,500**	**3,979,076,688**	**16,113,081**	**-**	**3,997,833,269**
Profit for the year	-	-	26,576,438	-	26,576,438
Items of OCI for the year ended, net of tax-					
Remeasurement benefit of defined benefit plans	-	-		(4,749,958)	(4,749,958)
Total Comprehensive Income for the year 2016-17 (B)	**-**		**26,576,438**	**(4,749,958)**	**21,826,480**
Increase / Reductions during the year					
Proposed Dividend on Equity	-	-	(1,442,885)	-	(1,442,885)
Tax on Dividend	-	-	(293,737)	-	(293,737)
Other Adjustments of Ind AS		(8,375,260)			(8,375,260)
Transferred to / (from) - Surplus / (Deficit)	-	(25,000,000)	25,000,000	-	-
Transferred to / (from) - Revaluation Reserve	-	-	-	-	-
Total (C)	**-**	**(33,375,260)**	**23,263,378**	**-**	**(10,111,882)**
Balance as at 31.03.2017 (A)+(B)+(C) (D)	**2,643,500**	**3,945,701,428**	**65,952,897**	**(4,749,958)**	**4,009,547,867**
Profit for the year	-	-	19,290,281	-	19,290,281
Items of OCI for the year ended, net of tax-	-		-	-	-
Remeasurement benefit of defined benefit plans	-	-		3,548,905	3,548,905
Total Comprehensive Income for the year 2017-18 (E)	**-**	**-**	**19,290,281**	**3,548,905**	**22,839,186**
Increase / Reductions during the year			-		
Proposed Dividend on Equity	-	-	(1,442,885)	-	(1,442,885)
Tax on Dividend	-	-	(293,737)	-	(293,737)
Other Adjustments of Ind AS		8,119,973			8,119,973
Transferred to / (from) - Surplus / (Deficit)	-	-	-	-	-
Transferred to / (from) - Revaluation Reserve	-	-	-	-	-
Total (F)	**-**	**8,119,973**	**(1,736,622)**	**-**	**6,383,351**
Balance as at 31.03.2018 (D)+(E)+(F) (G)	**2,643,500**	**3,953,821,401**	**83,506,556**	**(1,201,053)**	**4,038,770,404**

Significant accounting policies	**1**
Notes to the financial statements	**2-46**

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of Hindusthan Urban Infrastructure Ltd

As per our report of even date
For K. N. Gutgutia & Company
Chartered Accountants
FRN: 304153E

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May 2018

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S. Bhuwania
(DIN No.00107171)
Vice Chairman and Managing Director

Deepak Kejriwal
Chief Financial Officer

M.L. Birmiwala
Sr. V.P. Finance & Company Secretary

COMPANY INFORMATION

Hindusthan Urban Infrastructure Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at 'Kanchenjunga' (7th Floor),18, Barakhamba Road, New Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE).

The Company is engaged mainly in the business of manufacturing & selling electrical conductor, insulator products and also engaged in wind power and investing activities.

These financial statements were authorized for issue in accordance with a resolution of the directors on dated 03rd May, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

(i) Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 44.

(ii) Historical cost convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

1.2 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b . Defined benefit obligation

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 33, 'Employee benefits'.

c. Fair value measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using prudent valuation techniques, which involve various judgements and assumptions.

d. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions/deferred tax liability/assets.

1.3 Current & non-current classification:

The assets and liabilities are classified into current and non-current.

Assets

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

a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the portion of non current financial assets. All other assets are classified as non-current.

Liabilities

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

a) it is expected to be settled in the company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within 12 months after reporting date; or

d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

1.4 Property, Plant and Equipment and Intangible Assets

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, and any directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenditure incurred on start-up and commissioning of the project and/or substantial expansion, including the expenditure up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(ii) Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances paid towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

(iii) Intangible Assets

- **Acquired Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

- **Internally generated intangible assets**

Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

(iv) Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

(v) Depreciation and Amortisation

- **Depreciation**

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method as per the useful lives and in the manner prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve.

- **Amortisation**

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The estimated useful life of intangible assets like Product development, Software systems etc. has been estimated as five years.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

(vi) Transition to Ind AS

On transition to Ind AS, the company has elected to measure its Property, Plant and Equipment at the previous GAAP carrying amount (except certain items of PPE at fair valuation) as its deemed cost on the date of transition of Ind AS i.e, 1 April 2016.

1.5 Impairment

The Company assesses at each Balance Sheet date whether there is any indication that an asset/cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset/cash generating unit. If such recoverable amount of the asset or the recoverable amount of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

An assessment is also done at each balance sheet date whether there is any indication that an impairment loss recognized for an asset/cash generating unit in prior accounting periods may no longer exist or may have decreased. If any such indications exists, the assets/ cash generating unit’s recoverable amount is estimated. The carrying amount of the fixed asset/ cash generating unit is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous periods. A reversal of impairment loss is recognized in the Statement of Profit and Loss.

1.6 Revenue Recognition

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, recovery of the consideration is reasonably assured and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax, value added tax, goods & service tax (GST) and discounts, if any.

Income from subsidy, disbursed/disbursable by the Governments is included in other operating income. The subsidy amount is recognized only to the extent that the realization is reasonably assured.

Dividend income is recognized when the right to receive the income is established. Income from interest on deposits and loans is recognized on time proportionate basis. Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and are included in other operating income.

1.7 Government grants and subsidies

The Company is entitled to subsidies from government in respect of manufacturing unit located in specified regions.

Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them.

Government subsidy relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected life of the related assets and presented within other operating revenue.

1.8 Inventory

Inventories are stated at lower of cost or net realisable value except scrap which is valued at net estimated realizable value.

The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and in case of Insulators Division on the basis of First-in-First out (FIFO).

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

The cost of work-in-progress and finished goods comprises of raw materials, packing materials, direct labour, other direct costs, and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion/ reprocessing and the estimated cost necessary to make the sale.

1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a) Effective interest method

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

Income is recognized on effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the statement of profit and loss and is included in the" Other income" line item.

b) Investment in Equity Instruments at fair value through profit & loss

These investments 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 recognized in profit & loss

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

B) Financial Liabilities

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.10 Derivative financial instrument and Hedge accounting

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks. The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

1.11 Measurement of Fair Values

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

1.12 Investment in Subsidiary Companies

The Company has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 6.

1.13 Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

1.14 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

1.15 Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

1.16 Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

1.17 Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined Contribution plans:

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.

II. Defined Benefit plans:

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the actuarial valuation techniques with actuarial valuations being carried out at each reporting date. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses, are recognized in Other Comprehensive Income. The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the actuarial valuation techniques.

1.18 Research & Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

1.19 Borrowing Cost

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

1.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

1.21 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.22 Earnings Per Share

a) Basic earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders after taking income tax effect of interest and other finance cost associated with dilutive potential equity shares and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.23 Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Rules, 2015, notifying Ind AS 115, 'Revenue from Contracts with Customers'. This Ind AS is in accordance with the IFRS 15. However, considering the challenges and difficulties, MCA deferred the applicability of this Ind AS and made it implemented from April 01, 2018.

This Ind AS obliges the Company to book its revenue from customers on the 5 step model as below: -

Step -1: Identify the contract with the customer

Step -2: Identify the performance obligations in the contract

Step -3: Determine the transaction price

Step- 4: Allocate the transaction price to the performance obligations

Step -5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Basis the operations of the Company, the company is evaluating the requirement of the amendment

2 Property, Plant & Equipments

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	Computers & IT equipment	Office equipment	Furniture & fixtures	Motor Vehicle	Total
Gross Block (at cost or revalued amount)									
As at 01.04.2016	2,079,160,000	15,412,793	827,567,843	2,344,684,668	4,956,867	16,494,459	35,323,962	50,724,251	5,374,324,842
Additions	-	-	16,312,245	50,720,048	997,109	1,882,706	6,155,441	1,152,128	77,219,677
Disposals	-	-	-	(30,959,692)	(266,787)	(405,743)	(129,696)	(3,319,544)	(35,081,462)
As at 31.03.2017	2,079,160,000	15,412,793	843,880,088	2,364,445,023	5,687,189	17,971,421	41,349,707	48,556,835	5,416,463,057
As at 01.04.2017	2,079,160,000	15,412,793	843,880,088	2,364,445,023	5,687,189	17,971,421	41,349,707	48,556,835	5,416,463,057
Additions	-	-	2,537,852	79,921,642	1,658,147	700,045	396,576	842,120	86,056,383
Disposals	-	-	-	(135,670,954)	(100,001)	(727,956)	(549,799)	(2,686,536)	(139,735,246)
As at 31.03.2018	**2,079,160,000**	**15,412,793**	**846,417,940**	**2,308,695,712**	**7,245,335**	**17,943,510**	**41,196,485**	**46,712,419**	**5,362,784,194**
Depreciation									
As at 01.04.2016	-	3,280,961	175,378,672	966,887,561	4,106,167	8,319,332	3,558,575	18,809,756	1,180,341,024
Charge for the year	-	382,191	32,181,076	103,839,024	513,053	2,483,542	3,487,381	5,680,136	148,566,403
Disposals	-	-	-	(25,486,507)	(253,443)	(384,279)	(123,211)	(1,909,463)	(28,156,904)
Adjustments	-	-	-	1,463,101	-	-	-	-	1,463,101
As at 31.03.2017	-	3,663,152	207,559,749	1,046,703,178	4,365,777	10,418,595	6,922,744	22,580,429	1,302,213,624
As at 01.04.2017	-	3,663,152	207,559,749	1,046,703,178	4,365,777	10,418,595	6,922,744	22,580,429	1,302,213,624
Charge for the year	-	363,198	32,800,538	107,793,303	668,658	2,406,535	3,808,468	5,158,909	152,999,610
Disposals	-	-	-	(121,465,750)	(92,828)	(689,470)	(437,986)	(1,488,091)	(124,174,125)
Adjustments	-	-	-	1,463,101	-	-	-	-	1,463,101
As at 31.03.2018	**-**	**4,026,350**	**240,360,287**	**1,034,493,832**	**4,941,607**	**12,135,660**	**10,293,226**	**26,251,247**	**1,332,502,210**
Net Block									
As at 01.04.2016	**2,079,160,000**	**12,131,832**	**652,189,171**	**1,377,797,107**	**850,700**	**8,175,127**	**31,765,387**	**31,914,495**	**4,193,983,818**
As at 31.03.2017	2,079,160,000	11,749,641	636,320,339	1,317,741,845	1,321,413	7,552,826	34,426,963	25,976,406	4,114,249,433
As at 31.03.2018	**2,079,160,000**	**11,386,443**	**606,057,653**	**1,274,201,879**	**2,303,729**	**5,807,850**	**30,903,258**	**20,461,172**	**4,030,281,984**

3 Capital Work in Progress

Particulars	Capital Work in Progress
As at 01.04.2016	26,302,382
As at 31.03.2017	25,918,015
As at 31.03.2018	**37,707,569**

4 Investment Property

Particulars	Land at Banera	Land at Bangalore (including Site development)	Total
Gross Block (At Cost)			
As at 01.04.2016	90,800	112,627,737	112,718,537
Additions	-	1,792,933	1,792,933
As at 31.03.2017	**90,800**	**114,420,670**	**114,511,470**
As at 01.04.2017	90,800	114,420,670	114,511,470
Additions	-	-	-
Other adjustments	-	(2,100,000)	(2,100,000)
As at 31.03.2018	**90,800**	**112,320,670**	**112,411,470**
Depreciation			
As at 01.04.2016	-	-	-
Charge for the year	-	-	-
As at 31.03.2017	**-**	**-**	**-**
As at 01.04.2017	**-**	**-**	**-**
Charge for the year	-	-	-
As at 31.03.2018	**-**	**-**	**-**
Net Block			
As at 01.04.2016	90,800	112,627,737	112,718,537
As at 01.04.2017	90,800	114,420,670	114,511,470
As at 31.03.2018	**90,800**	**112,320,670**	**112,411,470**

5 Other Intangible Assets

Particulars	Computer softwares	Product Development	Total
Gross Block (at cost or revalued amount)			
As at 01.04.2016	2,625,381	-	2,625,381
Additions	16,986,583	13,500,392	30,486,975
As at 31.03.2017	**19,611,964**	**13,500,392**	**33,112,356**
As at 01.04.2017	19,611,964	13,500,392	33,112,356
Additions	953,270	-	953,270
Disposals	-	-	-
As at 31.03.2018	**20,565,234**	**13,500,392**	**34,065,626**
Amortization			
As at 01.04.2016	876,902	-	876,902
Charge for the year	3,040,517	632,484	3,673,001
Disposals	-	-	-
As at 31.03.2017	**3,917,419**	**632,484**	**4,549,903**
As at 01.04.2017	3,917,419	632,484	4,549,903
Charge for the year	3,797,918	2,565,075	6,362,993
Disposals	-	-	-
As at 31.03.2018	**7,715,337**	**3,197,559**	**10,912,896**
Net Block			
As at 01.04.2016	1,748,479	-	1,748,479
As at 01.04.2017	15,694,545	12,867,908	28,562,453
As at 31.03.2018	**12,849,897**	**10,302,833**	**23,152,730**

6 Financial Assets: Investments

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Investments in Equity Shares						
a) Quoted Equity Shares (Measured at FVTPL)						
Reliance Industries Ltd.		44,140,000		231,067,114		235,345,354
Ballarpur Industries Ltd.		1,991,995		3,120,473		2,186,724
		46,131,995		**234,187,587**		**237,532,078**
b) Unquoted Equity Shares (Measured at Cost)						
Subsidiary Companies						
Hindusthan Speciality Chemicals Ltd.		785,931,332		587,537,512		550,817,512
Hindusthan Vidyut Products Ltd.		2,794,000		2,794,000		500,000
Hindusthan Projects Ltd.		500,000		500,000		500,000
		-		-		-
		789,225,332		**590,831,512**		**551,817,512**
c) Mutual Funds: Quoted (Measured at FVTPL)						
Aditya Birla Sunlife Cash Plus	30,928,706	-	-	-	-	-
Total	**30,928,706**	**835,357,327**	**-**	**825,019,099**	**-**	**789,349,590**

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
Aggregate amount of quoted investments - At Cost						
Investments in Equity Shares - Others						
Reliance Industries Ltd. (Rs 10 each)	50,000	26,794,653	175,157	189,997,849	225,157	238,834,734
Ballarpur Industries Ltd. (Rs 2 each)	159,615	5,331,101	159,615	5,331,101	159,615	5,331,101
Aggregate amount of quoted investments - At Cost		**32,125,754**		**195,328,950**		**244,165,835**
Investments in Mutual Funds: Quoted						
Aditya Birla Sunlife Cash Plus	110731	**30,928,706**				
Aggregate amount of quoted investments - At Market value		**77,060,701**		**234,187,587**		**237,532,078**
Aggregate amount of unquoted investments						
Investments in Equity Shares - Subsidiary Company						
Hindusthan Speciality Chemicals Ltd. (Rs 10 each)	78,591,382	785,913,820	55,080,000	550,800,000	55,080,000	550,800,000
Hindusthan Speciality Chemicals Ltd. (Rs 4 paid up)	-	-	9,180,000	36,720,000	-	-
Hindusthan Vidyut Products Ltd. (Rs 10 each)	275,000	2,750,000	275,000	2,750,000	50,000	500,000
Hindusthan Vidyut Products Ltd. (Rs 1 paid up)	44,000	44,000	44,000	44,000	-	-
Hindusthan Projects Ltd. (Rs 10 each)	50,000	500,000	50,000	500,000	50,000	500,000
		789,207,820		**590,814,000**		**551,800,000**
Aggregate amount of unquoted investments		**789,207,820**		**590,814,000**		**551,800,000**

7 Inventories

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(I) Raw materials - In hand	150,063,431	134,337,086	106,471,481
- In transit	1,168,969	24,303,172	8,266,062
(II) Work-in-Progress	216,229,981	214,968,668	101,056,840
(III) Finished Goods	140,588,621	114,986,298	250,687,872
(IV) Stores & Spares and Packing	145,306,963	82,365,535	60,938,028
(V) Loose Tools	-	2,496,748	2,633,703
(VI) Scrap	4,734,123	6,850,373	4,607,711
Total	**658,092,088**	**580,307,880**	**534,661,697**

(i) For method of valuation of inventories, refer note 1.8

(ii) The provision in respect of excess, slow-moving, damaged, or obsolete inventories lying in books as on March 31,2018, March 31,2017 and April 1,2016 is Rs 1750 Lacs for Work in Progress & Rs 218 Lacs for Stores & Spares and Packing.

8 Financial Assets: Trade Receivables

Particulars	Non - current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	Current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured						
- Considered good	-	-	-	139,584,744	403,515,483	775,519,819
	-	**-**	**-**	**139,584,744**	**403,515,483**	**775,519,819**
Unsecured						
- Considered good				1,903,936,533	1,785,330,043	1,656,020,513
- Considered doubtful		-		113,419,459	113,419,459	113,419,459
Less: Provision for doubtful trade receivables		-		(113,419,459)	(113,419,459)	(113,419,459)
				1,903,936,533	**1,785,330,043**	**1,656,020,513**
Total	**-**	**-**	**-**	**2,043,521,277**	**2,188,845,526**	**2,431,540,332**

9 Financial Assets: Cash & cash equivalents and Other Bank Balances

Particulars	Non - current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	Current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash and Bank Balances						
(I) Cash & cash equivalents						
(i) Balance with Banks						
Current Accounts	-	-	-	88,429,548	3,564,682	7,411,193
(ii) Cash on Hand	-	-	-	701,211	1,959,074	2,369,062
	-	-	-	89,130,759	5,523,756	9,780,255
(II) Other Bank Balances						
Earmarked Balances with Banks - Unclaimed Dividend	-	-	-	418,765	506,505	515,139
Deposits with Banks held as Margin money/ Security	22,843,754	2,000,000	23,672,537	23,546,612	57,504,480	13,707,511
	22,843,754	**2,000,000**	**23,672,537**	**23,965,377**	**58,010,985**	**14,222,650**
Total	**22,843,754**	**2,000,000**	**23,672,537**	**113,096,136**	**63,534,741**	**24,002,905**

Balance With Current Accounts includes CC A/c having Debit Balance of Rs 8,02,56,796/- as on 31.03.2018

10 Financial Assets: Loans

Particulars	Non - current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	Current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured, considered good						
Loans to related parties						
Hindusthan Speciality Chemicals Ltd.	-	-	-	-	22,000,000	2,200,000
Loans to employees	-	295,300	311,000	2,048,555	389,362	355,745
Total	**-**	**295,300**	**311,000**	**2,048,555**	**22,389,362**	**2,555,745**

11 Financial Assets: Others

Particulars	Non - current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	Current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured, considered good						
Interest accrued but not due	-	-	-	1,619,766	5,623,947	2,382,438
Unamortized premium on Forward contract	-	-	-	-	2,044,121	-
Insurance Claim Receivable	-	-	-	-	4,779,104	-
Mark to Market Balance against outstanding forward contract				275,000		4,546,735
Total	**-**	**-**	**-**	**1,894,766**	**12,447,172**	**6,929,173**

12 Current Tax Assets (Net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance Payment of Tax / TDS / TCS (Net)	103,139,107	99,694,431	97,834,002
Total	**103,139,107**	**99,694,431**	**97,834,002**

13 Other Assets

Particulars	Non - current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	Current As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(I) Capital Advances						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	3,050,000	3,622,500	10,922,437	-	5,542,916	6,207,955
(II) Security Deposits						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	-	-	-	-	-
(A) (i) Sales Tax (Under Litigation)	7,769,480	3,578,480	1,687,202	-	-	-
(ii) Municipal Corporation (Under Litigation)	514,250	515,450	514,250	-	-	-
(iii) Central Excise & Custom (Under Litigation)	4,936,355	3,966,355	3,500,000	-	-	-
(iv) Electricity Board (Under Litigation)	2,791,448					
(B) Others - I) Tender	11,531,676	16,263,424	19,220,024	-	-	-
II) Electricity	30,368,931	30,824,248	27,098,316	-	-	-
III) Others	12,963,353	11,639,599	12,715,108	-	-	-
Less: Provision for doubtful deposits	(2,319,150)	(2,319,150)	(2,319,150)	-	-	-
(III) Earnest Money Deposit - Lien Fixed Deposit	-	-	-	-	-	-
- Others	15,361,059	8,521,742	3,329,742	-	-	-
(IV) Deposit/ Credit with Government Authorities						
Custom, Excise & Service Tax , GST	-	-	-	77,654,559	115,700,521	82,996,829
Sales tax	-	-	-	6,787,759	23,170,300	545,373
(V) Advances to Suppliers	-	-	-	63,685,583	43,612,258	169,075,551
Less: Provision for doubtful advances				(7,062,668)	(7,062,668)	(7,062,668)
(VI) Employees	-	-	-	1,008,188	875,633	1,520,084
Less: Provision for doubtful advances				(266,653)	(266,653)	(266,653)
(VII) Others						
Others	3,073,529	1,488,049	31,000	24,487,350	21,635,202	14,519,493
Total	**90,040,931**	**78,100,697**	**76,698,929**	**166,294,118**	**203,207,510**	**267,535,964**

14 Equity Share Capital

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised			
25,00,000 (31 March 2017 : 25,00,000; 1 April 2016: 25,00,000)Equity Shares of Rs 10/-each.	25,000,000	25,000,000	25,000,000
Issued			
14,43,000 (31 March 2017 : 14,43,000; 1 April 2016: 14,43,000)Equity Shares of Rs 10/-each.	14,430,000	14,430,000	14,430,000
Subscribed & Fully Paid up			
14,42,885 (31 March 2017 : 14,42,885; 1 April 2016: 14,42,885)Equity Shares of Rs 10/-each.	14,428,850	14,428,850	14,428,850
Total	**14,428,850**	**14,428,850**	**14,428,850**

(a) Reconciliation of shares outstanding at the beginning and at end of the year:

Particulars	As at 31.03.2018 No of Shares	Amount	As at 31.03.2017 No of Shares	Amount	As at 01.04.2016 No of Shares	Amount
Opening Balance	1,442,885	14,428,850	1,442,885	14,428,850	1,442,885	14,428,850
Add:- Addition during the Year	-	-	-	-	-	-
Less:- Deletion during the Year	-	-	-	-	-	-
Closing Balance	**1,442,885**	**14,428,850**	**1,442,885**	**14,428,850**	**1,442,885**	**14,428,850**

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shares in respect of each class in the company held by its holding company rights ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate : NIL

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has not Issued equity share capital including shares allotted for consideration other than cash during the last five years.

Dividend of Rs 1/- share (Previous Year Rs 1/-) proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

(c) Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholder	As at 31.03.2018 No. of Equity Shares	As at 31.03.2018 Percentage Holding	As at 31.03.2017 No. of Equity Shares	As at 31.03.2017 Percentage Holding	As at 01.04.2016 No. of Equity Shares	As at 01.04.2016 Percentage Holding
Hindusthan Consultancy & Services Ltd.	708,825	49.12%	708,825	49.12%	708,825	49.12%
Carbo Industrial Holdings Ltd	132,820	9.21%	132,820	9.21%	132,820	9.21%
Promain Ltd	117,900	8.17%	117,900	8.17%	117,900	8.17%

15 Financial Liabilities: Borrowings

	Particulars	Non - current As at 31.03.2018	Non - current As at 31.03.2017	Non - current As at 01.04.2016	Current As at 31.03.2018	Current As at 31.03.2017	Current As at 01.04.2016
	Secured Loans from Banks:						
a)	- *Term Loan (Rupee Loan)*	355,903,198	444,737,894	562,094,402	-	-	-
	Less:- Current Maturities	(102,119,086)	(93,919,000)	(108,814,362)	-	-	-
		253,784,112	**350,818,894**	**453,280,040**	-	-	-
b)	- Term Loan (FCLR Loan)	69,062,555	93,128,000	-	-	-	-
	Less:- Current Maturities	(19,284,000)	(20,789,000)	-	-	-	-
		49,778,555	**72,339,000**	-	-	-	-
c)	- *Vehicle Loan (Rupee Loan)*	5,307,506	9,826,421	13,911,059	-	-	-
	Less:- Current Maturities	(4,867,170)	(4,518,915)	(4,084,638)	-	-	-
		440,336	**5,307,506**	**9,826,421**	-	-	-
	Loans repayable on demand						
	From Related parties (Unsecured)	706,879,792	710,537,164	635,787,164	-	-	-
		706,879,792	**710,537,164**	**635,787,164**	-	-	-
d)	**Working Capital Facilities from Banks- Secured (Repayable on Demand)**						
	Foreign Currency Loan						
	PCFC Loan	-	-	-	39,106,500	-	20,399,961
	Buyer's Credit Loan	-	-	-	-	195,727,926	208,857,765
		-	-	-	**39,106,500**	**195,727,926**	**229,257,726**
	Rupee loan						
	Cash Credit	-	-	-	493,772,448	522,646,252	773,925,898
	Working Capital Demand Loan	-	-	-	-	75,000,000	-
		-	-	-	**493,772,448**	**597,646,252**	**773,925,898**
	Total	**1,010,882,795**	**1,139,002,564**	**1,098,893,625**	**532,878,948**	**793,374,178**	**1,003,183,624**

a) Term Loan (Rupee Loan)

(i) **Type of Loan** : 10.85% p.a.Term Loans from Canara Bank, New Delhi of Rs.12,39,00,000/- & Rs. 11,95,92,500/-
Nature of Security: Secured by first charge on Assets created out of 4 nos. of Wind Turbine Generator (WTGs) at Akel site, Distt. Jaiselmer (Rajasthan) & Ratan Ka Bas, Distt. Jodhpur (Rajasthan) and land at WTG site.
Terms of Repayment :The loan is repayable in 108 & 96 monthly installments starting from 01.08.2010 and 01.02.2011 respectively.

(ii) **Type of Loan** : 10.85% p.a.Term Loan Canara bank, New Delhi of Rs.12,95,00,000/- taken for Guwahati project at Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati,Assam.
Nature of Security: Secured by first charge on Land, Building and Plant & machinery created out of the loan. Terms of Repayment : The loan is repayable in 16 half yearly instalments starting from 01.08.2012.

(iii) **Type of Loan** : 10.85% p.a.Term loan Canara bank, New Delhi of Rs. 45,00,00,000/- is sanctioned on 14.08.2015 by Canara bank, New Delhi for our Khurda Projects at 11.20% p.a. against which Rs. 40,64,34,112/- availed.
Nature of Security: The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-chmpajhara, Distt- Khurda, Bhubaneswer.
Terms of Repayment : The said loan is repayable in 32 quarterly structured installments starting from quarter ending December' 2015 and ending on quarter ending September'2023.

b) **Type of Loan** : 15.05% p.a. Indian rupee term loan from State Bank of India. During the year, the company has converted indian rupee term loan of Rs 6,72,40,000 (USD 10000/-) in to foreign currency term loan for one year with interest rate 6.186% p.a.
Nature of Security : Secured by Ist Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj,Distt-Raisen, M.P.
Terms of Repayment: The loan is repayable in 18 quarterly installment of Rs 60.93 Lakhs starting from Sep'2016. "

c) **Type of Loan** : 10.14% p.a. Vehicle loan from ICICI Bank of Rs. 2,09,30,000/- .
Terms of Repayment: The said loan is repayable in 59 equal monthly instalments starting from 10.06.2014."

d) **Working Capial Facilities for Banks** :

(i) **Type of Loan**: Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is Rs 3,91,06,500/- (31.03.2017 - Rs. 36,99,76,115/- & 01.04.2016 - Rs.54,41,43,498/-).
Nature of Security : Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Village-champajhara,Distt-Khurda, Bhubaneswar &12/1,Milestone, Delhi Mathura Road, Faridabad.,Industrial Area, Birla Nagar, Gwalior & Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati,Assam and equitable mortgage of land and building at 12/1,Milestone, Delhi Mathura Road, Faridabad and Industrial Area, Birla Nagar, Gwalior.

(ii) **Type of Loan**: Working capital facilities from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is Rs 49,37,72,448 (31.03.2017 - Rs. 42,33,98,062/- & 01.04.2016 - Rs. 45,90,40,126/-)
Nature of Security: Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj,Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj,Distt-Raisen, M.P."
Interest rate varies from 1% p.a. to 6% p.a. per annum on foreign currency denominated working capital facilities and it varies from 8% p.a. to 13% p.a. on rupee denominated working capital facilities.

16 Financial Liabilities: Trade payables (including Acceptances)*

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Due to Micro and Small Enterprises	6,595,788	8,800,075	14,715,180
Due to others	1,554,718,412	1,235,517,549	1,378,843,413
Total	**1,561,314,200**	**1,244,317,624**	**1,393,558,593**

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

17 Other financial liabilities excluding provisions

	Non - current			Current		
Particulars	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**
Current Maturities of Long term Debt (Refer note 15)						
10.85% p.a. Term Loan from a Bank - Rupee Loan	-	-	-	97,031,086	90,336,000	90,535,362
10.14% p.a. ICICI Bank Term Loan - Car Loan	-	-	-	4,867,170	4,518,915	4,084,638
15.05 %Bank-SBI Term Loan -INR	-	-	-	5,088,000	3,583,000	18,279,000
6.186 %Bank-SBI Term Loan -FCNR	-	-	-	19,284,000	20,789,000	-
Interest accrued but not due on borrowings	-	-	-	-	8,682,853	12,130,018
Unclaimed dividend	-	-	-	418,765	506,505	515,139
Other Payables	-	-	-	-	-	-
Creditors For Capital Goods	-	-	-	173,500	831,869	23,118,189
Amount payable against outstanding forward contract	-	-	-	-	2,007,720	-
Mark to Market Balance against outstanding forward contract	-	-	-	-	6,939,720	-
Total	**-**	**-**	**-**	**126,862,521**	**138,195,582**	**148,662,346**

18 Provisions

	Non - current			Current		
Particulars	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**
Provision for employee benefits	51,844,040	51,766,275	48,178,082	50,115,446	53,053,165	43,819,699
Others						
Provision for Excise duty on closing stock	-	-	-	-	12,776,254	27,555,286
Contract Loss provision	123,658	-	-	-	6,076,000	259,195
Total	**51,967,698**	**51,766,275**	**48,178,082**	**50,115,446**	**71,905,419**	**71,634,180**

19 Deferred tax liabilities (net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred tax liabilities on:			
- Fixed assets (PPE) U/s-32	719,822,095	738,467,366	674,677,251
	719,822,095	738,467,366	674,677,251
Deferred tax assets on:			
- Bonus, gratuity & leave salary U/s-43B	21,324,595	23,964,668	26,060,000
- Provision for doubtful debts U/s-36(1)(vii)	39,253,642	39,253,642	39,253,642
- Business loss / Un Absorbed Depreciation U/s-72	107,996,000	94,634,000	-
- Other Temporary Differences	76,729,223	74,711,223	76,526,475
	245,303,460	232,563,533	141,840,117
Net deferred tax Liabilities	**474,518,635**	**505,903,833**	**532,837,134**

20 Other Liabilities

Particulars	Non - current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances from customers	-	-	-	35,780,543	38,804,931	21,203,716
Other Payable to related party (HEIL)	-	-	-	928,960	928,960	19,966,101
Interest Payable to related party (DJC)	-	-	-	230,132,124	187,542,793	145,104,135
Interest Accrued and due	-	-	-	-	7,743,608	-
Deferred Sales Tax Liability	469,786	19,037,141	-	10,000,000	-	-
Interest on Sales tax Liability				12,827,678	12,827,678	12,827,678
Deferred Government Grants	8,653,284	10,116,385	11,579,486	1,463,101	1,463,101	1,463,101
Statutory Liabilities	-	-	-	-	-	-
- Income Tax (TDS)	-	-	-	11,210,760	10,060,015	11,755,144
- Excise duty / GST	-	-	-	25,705,473	51,576,471	41,094,809
- Sales Tax	-	-	-	-	10,139,571	11,366,960
- Others	-	-	-	54,521,070	25,530,160	4,173,643
Other Deposits : Trade/Service deposits	3,425,746	-	-	13,952,496	14,870,083	100,614
Total	**12,548,816**	**29,153,526**	**11,579,486**	**396,522,205**	**361,487,371**	**269,055,901**

21 Revenue from operations

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sale of products (including excise duty upto 30th June 17 & excluding GST)*		
(I) Conductors & Cables	4,802,217,379	4,925,518,592
(II) Power Generation Sales	33,062,816	35,708,794
(III) Insulators	2,151,330,902	2,205,709,781
	6,986,611,097	**7,166,937,167**
Other operating revenue		
(I) Scrap Sales	42,906,121	27,031,306
(II) Export Incentives	4,371,492	8,502,867
(III) Sales Tax/Excise/GST Benefit	20,721,074	57,116,014
(IV) Installation Charges	-	1,395,000
(V) Exchange Difference on Borrowing Cost	-	6,831,836
	67,998,687	100,877,023
Revenue from Operations (Gross)	**7,054,609,784**	**7,267,814,190**

* Sale of products includes excise duty collected from customers of Rs 1924.13 Lacs (March 31,2017 : Rs 7068.33 Lacs)

22 Other income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(A) INTEREST INCOME		
From FDR's	3,517,163	4,553,789
From Customers	3,109,799	10,330,159
From Related Parties	4,520,911	936,788
From Others	1,867,688	2,019,560
(B) DIVIDEND INCOME	826,727	-
(C) NET GAIN ON INVESTMENT		
Gain on Sale Of Investment measured at FVTPL	24,530,661	6,479,307
Gain arising On Investment measured at FVTPL (Mark to Market Gain)	18,305,357	48,918,008
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	10,379,935	362,541
Claims Received (Net)	461,799	197,408
Profit on Sale of Fixed Assets	0	3,665,541
Liabilities No Longer Required & Sundry Credit Balance Written Back	8,023,550	11,955,697
Rental Income	8,479,117	-
Entry Tax Refund	10,962,890	-
On Exchange difference to the extent considered as an adjustment to borrowing cost	275,000	-
Total	**95,260,597**	**89,418,798**
Total Revenue	**7,149,870,381**	**7,357,232,988**

23 Cost of Materials Consumed

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A) Raw Material	**4,652,635,150**	**4,348,351,058**
B) Purchase of Stock-In-Trade	**-**	**5,187,006**

24 Changes in inventories of finished goods, stock-in-trade & work-in-progress

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Inventories at the beginning of the year		
Finished Goods	114,986,298	250,687,872
Work-In-Progress	389,968,668	276,056,840
Scrap	6,850,373	4,607,711
	511,805,339	**531,352,423**
Inventories at the end of the year		
Finished Goods	140,588,621	114,986,298
Work-In-Progress	391,229,981	389,968,668
Scrap	4,734,123	6,850,373
	536,552,725	**511,805,339**
Total	**(24,747,386)**	**19,547,084**

25 Employee benefits expense

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries & wages	282,506,734	281,735,449
Contribution to provident & other funds	17,004,938	11,276,498
Staff & Workmen welfare expenses	3,996,397	4,988,103
Total	**303,508,069**	**298,000,050**

26 Finance costs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(I) INTEREST		
On Term Loan	56,187,117	71,243,634
On Working Capital Borrowings	224,976,083	204,028,650
On Exchange difference to the extent considered as as adjustment to borrowing cost	507,389	1,939,000
On Others	49,441,131	47,564,851
	331,111,720	**324,776,135**
(2) OTHER BORROWING COST		
Bank Charges	44,632,512	45,375,889
Total	**375,744,232**	**370,152,024**

27 Depreciation and amortization expense

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Depreciation of property, plant & equipment	154,462,711	150,029,504
Amortization of intangible assets	6,362,993	3,673,001
Total	**160,825,704**	**153,702,505**

28 Other expenses

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
MANUFACTURING EXPENSES		
(i) Stores & Spares	230,788,627	188,872,220
(ii) Packing & Forwarding Expenses (Net)	241,491,323	295,816,628
(iii) Power & Fuel	576,286,651	520,392,210
(iv) Repairs to Building	15,806,021	16,943,414
(v) Repairs to Machinery	38,809,172	33,975,407
(vi) Jobs on Contract	317,514,370	303,095,411
(vii) Increase/(Decrease) in Excise Duty & Cess on Inventories	(12,776,254)	(14,779,031)
SELLING AND ADMINISTRATION		
(i) Rent	4,007,844	6,161,848
(ii) Insurance	5,739,407	6,334,449
(iii) Rates & Taxes	3,587,164	2,319,583
(iv) Repairs - Others	9,643,516	7,816,863
(v) Directors Meeting Fees	530,800	642,850
(vi) Payment to Auditors	477,150	474,220
(vii) Charity & Donation	70,000	39,200
(viii) Brokerage & Commission	6,979,128	6,537,986
(ix) Bad Debts Written off	6,460,434	5,655,704
(x) Miscellaneous Expenses	77,255,645	80,527,428
Total	**1,522,670,998**	**1,460,826,390**

29 Other Comprehensive Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	2,711,157	(3,569,706)
	2,711,157	**(3,569,706)**
Items that will be reclassified to profit or loss		
	-	-
Total	**2,711,157**	**(3,569,706)**

30 Exceptional items

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit on Sale of Fixed Assets	23,102,470	-
Total	**23,102,470**	**-**

31 Contingent Liabilities & Commitments

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
(1) Contingent liabilities (to the extent not provided for)			
(A) Guarantee			
(a) The Company has given following corporate guarantee on behalf of its subsidiaries or group companies to secure financial facilities :			
Hindusthan Speciality Chemicals Ltd (100 % Subsidiary), for secure financial facilities	1,818,000,000	1,728,000,000	1,728,000,000
Hindusthan Engineering Industries Ltd (group company), under sales tax, excise, custom etc	60,723,570	60,723,570	60,723,570
(b) Outstanding guarantees furnished by banks on behalf of the company	1,792,742,185	1,883,174,812	1,673,849,433
(c) Outstanding letters of credit furnished by banks on behalf of the company	1,332,987,437	904,385,040	1,701,052,641
(B) Claims against Company, disputed by the Company, not acknowledged as ebt:			
(a) Income Tax demand under appeal *	6,036,025	6,036,025	5,548,639
(b) Excise Duty show cause notices/demands under appeal	61,522,595	59,300,784	44,012,304
(c) Claims against the Company for Sales/Purchase Tax/VAT	50,924,389	38,932,647	24,368,968
(d) Claims against the Company for Labour Cases/MCF & Other under litigation	24,382,183	24,162,183	16,996,000
* Apart from these liabilities, the company has received demand of Rs. 6,69,27,117/- from Income Tax department related to assessment year 13-14 & 14-15 however the credit of advance Income tax of Rs. 4,66,00,000/- has not been adjusted against liability at the time of assessment but the same is reflecting in records of Income tax department (As per statement of 26AS). Balance demand is due to interest charged on the above. The company has filed rectification application for the said demand.			
(2) Commitments as at year end: (to the extent not provided for)			
(A) Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	-	11,647,928	9,189,252
(B) Other Commitments:			
(i) Surety Bond given to Custom & Excise/JDGFT	31,500,000	68,093,250	247,578,450
(ii) Sales order to be executed against Government and Private Contracts	7,579,939,247	4,208,790,000	4,022,300,480
(iii) Liability in respect of sales bills discounted with banks/NBFC's	464,902,047	175,784,639	22,412,908

32 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').
There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2018 . The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31,2018	As at March 31,2017	"As at April 1,2016"
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6,595,788	8,800,075	14,715,180
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

33 Employee Benefits

As per Ind-AS 19 on "Employee Benefits", the disclosures of Employee Benefits are given below:

a) Defined Contribution Scheme

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Contribution to Defined Contribution Plan, recognized for the year are as under:			
Employer's Contribution to Provident Fund	6,216,229	6,672,470	7,115,570
Employer's Contribution to Pension Fund	5,156,434	5,212,593	5,597,520
Employer's-ESI Contribution	3,890,285	3,092,265	3,334,006
Labour Welfare Fund	-	-	24,600
Total	**15,262,948**	**14,977,328**	**16,071,696**

b) Defined Benefit Scheme

Disclosure as required by Ind AS 19 on Employee Benefits in respect of gratuity and leave encashment are as follows:

Particulars	Leave Encashment (Non-Funded)			Gratuity (Non-Funded)		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Net expenses recognised during the year 2017-18						
Current Service Cost	1,314,375	1,517,318	1,349,038	2,895,251	2,915,236	2,830,292
Interest Cost	609,647	646,410	824,208	4,225,635	4,211,514	5,415,248
Expected return on plan assets	-	-	-	-	-	-
Actuarial Losses / (Gains)	(1,251,509)	(751,084)	(1,054,517)	(2,711,157)	3,569,706	761,832
Past Service Cost	-	-	-	1,786,446	-	-
Net benefit expenses	**672,513**	**1,412,644**	**1,118,729**	**6,196,175**	**10,696,456**	**9,007,372**
Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2018						
Present Value of Defined Benefit Obligation	7,608,177	8,492,940	8,432,189	57,662,318	58,637,365	54,294,137
Fair Value of plan assets	-	-	-	-	-	-
Net Liabilities recognised in Balance Sheet	**(7,608,177)**	**(8,492,940)**	**(8,432,189)**	**(57,662,318)**	**(58,637,365)**	**(54,294,137)**
Change in the Present value of obligation over the year ended 31st March, 2018						
Present Value of Defined Benefit Obligation as on 1st April, 2017	8,492,940	8,432,199	10,690,403	58,637,365	54,294,137	69,628,044
Interest Cost	609,647	646,410	824,198	4,225,635	4,211,514	5,415,248
Past Service Cost	-	-	-	1,786,446	-	-
Current Service Cost	1,314,375	1,517,318	1,349,038	2,895,251	2,915,236	2,830,292
Benefits Paid	(1,557,276)	(1,351,903)	(3,376,933)	(7,171,222)	(6,353,228)	24,341,279)
Actuarial (Gain) / loss on obligation	(1,251,509)	(751,084)	(1,054,517)	(2,711,157)	3,569,706	761,832
Present Value of Defined Benefit Obligation as on 31st March, 2018	**7,608,177**	**8,492,940**	**8,432,189**	**57,662,318**	**58,637,365**	**54,294,137**
Change in Fair value of Plan Assets						
Fair Value of plan assets as on 01.04.2017						
Actual return on plan assets	-	-	-	-	-	-
Contribution	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Fair Value of plan assets as on 31.03.2018	**-**	**-**	**-**	**-**	**-**	**-**

Other Comprehensive Income	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
Actuarial (gains) / losses	2017-18	2016-17	2017-18	2016-17
change in demographic assumptions	-	-	-	-
change in financial assumptions	185,441	282,580	(359,656)	2,108,638
experience variance (i.e. Actual experience vs assumptions)	(1,436,950)	(1,033,664)	(2,351,501)	1,461,068
others	-		0	0
Return on plan assets, excluding amount recognised in net interest expense	-		0	0
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-		0	0
Components of defined benefit costs recognised in other comprehensive income	**(1,251,509)**	**(751,084)**	**(2,711,157)**	**3,569,706**

Major Actuarial Assumptions
With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Segment	Leave Encashment (Non-Funded)			Gratuity (Non-Funded)		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Financial Assumptions							
Discount Rate	Conductor	7.71%	7.50%	7.75 %	7.71%	7.50%	7.75 %
(based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities)	Insulators	7.60%	7.10%	8.00%	7.60%	7.10%	8.00%
Salary increase	Conductor	5.00%	3.00 %	3.00 %	5.00%	3.00 %	3.00 %
(based on account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis)	Insulators	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Demographic Assumptions							
Mortality Rate (% of IALM 2006-08)	Conductor	100.00%	100.00%		100.00%	100.00%	
(inclusive of provision for disability)	Insulators	100.00%	100.00%		100.00%	100.00%	
Withdrawal rates, based on age: (per annum)							
Up to 30 years	Conductor	3.00%	3.00%		3.00%	3.00%	
	Insulators	0.50%	0.50%		0.50%	0.50%	
31 - 44 years	Conductor	2.00%	2.00%		2.00%	2.00%	
	Insulators	0.20%	0.20%		0.20%	0.20%	
Above 44 years	Conductor	1.00%	1.00%		1.00%	1.00%	
	Insulators	0.10%	0.10%		0.10%	0.10%	

Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:	**Leave Encashment (Non-Funded)**	**Gratuity (Non-Funded)** (Non-Funded)
Impact of the change in discount rate	**2017-18**	**2017-18**
Present Value of Obligation at the end of the period	7,608,177	57,662,318
Impact due to increase of 0.50 %/1.00%	(393,149)	(2,261,622)
Impact due to decrease of 0.50 %/1.00%	453,480	2,470,464
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	7,608,177	57,662,318
Impact due to increase of 0.50 %/1.00%	461,568	2,511,127
Impact due to decrease of 0.50 %/1.00%	194,160	(2,335,951)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated
Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The defined benefit obligations shall mature after the end of reporting period is as follows:	**Leave Encashment (Non-Funded) 2017-18**	**Gratuity (Non-Funded) 2017-18**
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	1,658,485	11,936,010
1 to 6 years	2,916,803	21,586,314
More than 6 years	3,032,889	24,139,994

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B) Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
D) Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
E) Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

34 Related Party Disclosures

A. List of Related Parties and relatives with whom transactions have taken place

Enterprise which have significant influence over the company
Hindusthan Consultancy & Services Ltd.

Enterprises over which company having significant influence:
Hindusthan Speciality Chemicals Ltd. (Wholly Owned Subsidiary Company)
Hindusthan Vidyut Products Ltd. (Wholly Owned Subsidiary Company)
Hindusthan Projects Ltd. (Wholly Owned Subsidiary Company)

Director(s)/ Key Managerial Personnel :
Mr Raghavendra Anant Mody, Chairman & WholeTime Director (w.e.f. 03.10.17)
Mr Shyam Sunder Bhuwania, Vice Chairman & Managing Director
Mr Vivek Dayaram Kohli, Whole time Director (upto 31.03.2018)
Mr Anil Kumar Chandani, Chief Financial Officer (upto 04.08.2017)
Mr Deepak Kejriwal, Chief Financial Officer (w.e.f. 31.08.2017)
Mr Murari Lal Birmiwala, Senior Vice President Finance & Company Secretary

Relatives of Director(s)/Key Managerial Personnel :
Mrs Sanchita Mody
Mrs Nirmala Bhuwania
Mr Krishan Kumar Birmiwala
Mrs Shilpi Birmiwala
Mrs Madhu Garg
Mrs Sumita Kejriwal
Mr Behari Lal Kejriwal

Others
Hindusthan Vidyut Products Ltd Employee Provident Fund Trust

B. Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business.

i) With parties other than Directors / Key Managerial personnel

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sale of Scrap		
Hindusthan Speciality Chemicals Ltd	-	153,000
Sale of capital goods		
Hindusthan Speciality Chemicals Ltd	-	51,000
Hindusthan Engineering & Industries Ltd.	557,372	-
Mody Education Foundation	134,400	20,000
Purchase of Misc Items		
Hindusthan Engineering & Industries Ltd.	410,375	-
Rent paid /payable		
Promain Limited	2,462,250	2,245,074
Mrs Nirmala Bhuwania	270,000	1,080,000
Mr Krishan Kumar Birmiwala	59,400	237,600

Mrs Shilpi Birmiwala	44,820	179,280
Mrs Madhu Garg	31,500	126,000
Mrs Sumita Kejriwal	146,100	584,400
Mr Behari Lal Kejriwal	45,000	180,000
Hindusthan Engineering & Industries Ltd	13,620	12,000
Professional Fee paid/payable		
Mr Raghavendra Anant Mody (From 01.09.2017 to 30.09.2017)	250,000	400,000
Dividend Paid :		
Hindusthan Consultancy & Services Ltd.	708,825	708,825
Reimbursement of Expenses Received /Receivable		
Hindusthan Speciality Chemicals Ltd	470,576	367,277
Hindusthan Engineering & Industries Ltd.	-	871,742
Reimbursement of Expenses Paid /Payable		
Hindusthan Engineering & Industries Ltd.	-	11,288
Provident Fund Deposit (Paid/Payable)		
Hindusthan Vidyut Products Ltd Employee Provident Fund Trust	9,728,657	10,066,364
Interest Received/Receivable		
Hindusthan Vidyut Product Ltd	-	36,164
Hindusthan Speciality Chemicals Ltd	4,520,911	900,624
Interest Paid / Payable		
Hindusthan Engineering & Industries Ltd	47,321,479	47,154,064
Hindusthan Speciality Chemicals Ltd	-	96,411
Hindusthan Consultancy & Services Ltd.	1,808,219	-
Loan - Received		
Hindusthan Engineering & Industries Ltd	-	74,750,000
Hindusthan Speciality Chemicals Ltd	-	32,800,000
Hindusthan Consultancy & Services Ltd.	150,000,000	-
Loan - Repaid		
Hindusthan Engineering & Industries Ltd	3,657,372	
Hindusthan Speciality Chemicals Ltd	-	32,800,000
Hindusthan Consultancy & Services Ltd.	150,000,000	-
Loan - Given		
Hindusthan Speciality Chemicals Ltd	90,120,000	49,000,000
Loan - Received back		
Hindusthan Speciality Chemicals Ltd	112,120,000	27,000,000
Hindusthan Vidyut Product Ltd	-	2,200,000
Investment made during the year in Equity Shares of Subsidiary Company		
Hindusthan Speciality Chemicals Ltd.	198,393,820	36,720,000
Hindusthan Vidyut Product Ltd.	-	2,294,000
CSR Contribution		
Mody Education Foundation	-	300,000

ii) With Directors/Key Managerial Personnel

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Remuneration to Key Managerial Personnel:		
Mr Raghavendra Anant Mody (w.e.f. 03.10.2017)	36,02,650	1,749,979
Mr Shyam Sunder Bhuwania	102,40,086	12,000,000
Mr Vivek Dayaram Kohli (w.e.f. 01.04.2016)	111,99,726	10,628,281
Mr Anil Kumar Chandani (upto 04.08.2017)	42,70,650	11,500,000
Mr Deepak Kejriwal	42,52,813	-
Mr Murari Lal Birmiwala	34,24,730	3,607,155

Sitting Fees		
Mr Rajendra Prasad Mody	10,100	77,600
Mr Vikram Aditya Mody	10,100	11,450
Dividend Paid :		
Mr Rajendra Prasad Mody	200	200
Mr Shyam Sunder Bhuwania	70	70
Mr Vivek Dayaram Kohli	1	-
Mr Deepak Kejriwal	5	-
Mr Murari Lal Birmiwala	2	-
Mrs Nirmala Bhuwania	2,050	2,050
Salary paid to relative of Director(s)/ Key Managerial Personnel:		
Mrs Sanchita Mody	46,07,671	4,996,240

Particulars	As at March 31,2018	As at March 31,2017	As at April 1, 2016
Outstanding - Receivable			
Mody Education Foundation	-	20,000	50,000
Hindusthan Engineering & Industries Ltd	871,742	871,742	-
Outstanding - Loan Given			
Hindusthan Speciality Chemicals Ltd (Loan Given)	-	22,000,000	-
Hindusthan Vidyut Product Ltd	-	-	2,200,000
Outstanding - Other Payable			
Hindusthan Engineering & Industries Ltd	928,960	928,960	928,960
Outstanding - Loan taken (including interest)			
Hindusthan Engineering & Industries Ltd	937,011,916	898,079,957	781,820,259
Investment in Equity Share Capital in wholly owned subsidiary co.			
Hindusthan Speciality Chemicals Ltd.	785,931,332	587,537,512	550,817,512
Hindusthan Vidyut Products Ltd.	2,794,000	2,794,000	500,000
Hindusthan Projects Ltd.	500,000	500,000	500,000
Guarantees and collaterals by the Company			
Hindusthan Engineering & Industries Ltd	60,723,570	60,723,570	60,723,570
Hindusthan Speciality Chemicals Ltd	1,818,000,000	1,728,000,000	1,728,000,000

35 Segment Reporting

I) Based on the guiding principles given in Ind AS-108 "Operating Segment", The Vice-Chairman and Managing Director of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Company's primary business segments are organised around customers on industry and products lines as under:
a. Conductor: Conductor includes electrical conductor and related items.
b. Insulator: Insulator includes electrical insulator and related items.
c. Other: This segment is engaged in power generation, investment activities.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.
No operating segments have been aggregated to form the above reportable operating segments.
Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.
Finance costs are not allocated to individual segments as the underlying instruments are managed on a Company basis
Current taxes and deferred taxes are not allocated to those segments as they are also managed on a Company basis

II) In respect of secondary segment information, the Company has identified its geographical segments as:
a. With in India, and
b. Outside India.

A Primary Segment

Segment information for the year ended 31st March, 2018

Particulars		Conductor	Insulators	Other	Un Allocated	Total
Revenue from Operations (Gross)		**4,840,749,518**	**2,180,797,451**	**33,062,815**	**-**	**7,054,609,784**
		(5,004,949,190)	(2,227,156,206)	(35,708,794)	-	(7,267,814,190)
Results						
Segment result		**139,078,034**	**177,592,588**	**12,878,664**	**-**	**329,549,286**
		(150,545,447)	(170,482,514)	(25,918,126)	-	(346,946,087)
Interest Income					**13,015,561**	**13,015,561**
					(17,840,296)	(17,840,296)
Finance cost					**375,744,232**	**375,744,232**
					(370,152,024)	(370,152,024)
Profit /(Loss) before taxation & exceptional items						**(33,179,386)**
						5,365,641
Exceptional Items		**(23,102,470)**	**-**	**-**	**-**	**(23,102,470)**
		-	-	(-)	(-)	-
Net Profit/ (Loss) before tax						**(10,076,916)**
						5,365,641
Tax Expense						(29,367,197)
						31,942,079
Net Profit/ (Loss) after tax						**19,290,281**
						(26,576,438)
Other Information	**As at**					
Segment assets	**Mar 31, 2018**	**4,839,748,881**	**2,207,796,169**	**1,223,265,468**		**8,270,810,518**
	Mar 31, 2017	(5,016,597,109)	(2,067,634,095)	(1,274,851,885)		8,359,083,089)
Segment liabilities	**Mar 31, 2018**	**1,511,664,955**	**2,201,927,823**	**29,499,851**	**474,518,635**	**4,217,611,264**
	Mar 31, 2017	(1,725,816,156)	(2,044,659,097)	(58,727,286)	(505,903,833)	4,335,106,372)
Capital Employed	**Mar 31, 2018**	**3,328,083,926**	**5,868,346**	**1,193,765,617**	**(474,518,635)**	**4,053,199,254**
	Mar 31, 2017	(3,290,780,953)	(22,974,999)	(1,216,124,598)	505,903,833	4,023,976,717)
Capital expenditure	**Mar 31, 2018**	**10,217,892**	**88,581,314**	**-**		**98,799,206**
	Mar 31, 2017	(65,449,220)	(41,873,064)	(-)		(107,322,284)
Depreciation	**Mar 31, 2018**	**88,326,474**	**61,836,487**	**10,662,743**		**160,825,704**
	Mar 31, 2017	(83,322,471)	(59,698,299)	(10,681,735)		(153,702,505)
Figures in brackets represents previous year(s).						

B Secondary segment (geographical segment):

For the year ended 31st March,2018

Particulars	March 31, 2018	March 31, 2017
a) Revenue from operations by geographical location of customers (Gross)		
Within India	6,874,854,890	6,705,932,004
Outside India	179,754,894	561,882,186
Total	**7,054,609,784**	**7,267,814,190**
b) Carrying amount of segment assets		
Within India	8,179,463,409	8,272,787,540
Outside India	91,347,109	86,295,549
Total	**8,270,810,518**	**8,359,083,089**
c) Capital expenditure		
Within India	98,799,206	107,322,284
Outside India	-	-
Total	98,799,206	107,322,284

1) The Company has disclosed business segments as the primary segments.
2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.
3) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

36 Tax Expense

(a) Tax charge/(credit) recognised in profit or loss

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Current Tax :		
Current tax for the Year	-	-
Add: For earlier years Short/ (Excess) Provision	-	-
Less: MAT Credit entitlement	-	-
Total Current Tax	**-**	**-**
Deferred Tax :		
Fixed Assets/Depreciation	(18,645,271)	59,961,589
Provision for Gratuity / Leave Encashment	4,658,074	3,864,707
Un Absorbed Depreciation/ Brought forward Losses	(13,362,000)	(94,634,000)
Others	(2,018,000)	(1,134,375)
Total Deferred Tax	**(29,367,197)**	**(31,942,079)**

(b) Tax on Other Comprehensive Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Deferred Tax :		
(Gain)/Loss on remasurement of defined benefit plans	(837,748)	1,180,252
Total Deferred Tax	**(837,748)**	**1,180,252**

(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit before tax	(10,076,916)	(5,365,641)
Tax using the domestic tax rate	-	-
Tax effect of :		
Non-deductible tax expenses	(29,367,197)	(31,942,079)
Deductible tax expenses	-	-
Total tax expenses in the statement of profit and loss	**(29,367,197)**	**(31,942,079)**

(d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2017	As at April 1, 2016	Charge/(Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2017
Property, Plant & Equipment	425,813,251	-	-	-	425,813,251
Depreciation	248,864,000	59,961,589	-	3,828,526	312,654,115
Provision for Gratuity & Leave Encashment	(26,060,000)	3,864,707	(1,769,375)	-	(23,964,668)
Provision for Doubtful Debts	(39,253,642)	-	-	-	(39,253,642)
Un-absorbed Depreciation/ Brought forward Losses	-	(94,634,000)	-	-	(94,634,000)
Other temporary differences	(76,526,475)	(1,134,375)	2,949,627	-	(74,711,223)
Total	**532,837,134**	**(31,942,079)**	**1,180,252**	**3,828,526**	**505,903,833**

Movement during the year ended 31st March, 2018	As at April 1, 2017	Charge/(Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2018
Property, Plant & Equipment	425,813,251	-	-	-	425,813,251
Depreciation	312,654,115	(18,645,271)	-	-	294,008,844
Provision for Gratuity & Leave Encashment	(23,964,668)	4,658,074	(837,748)	(1,180,253)	(21,324,595)
Provision for Doubtful Debts	(39,253,642)	-	-	-	(39,253,642)
Un-absorbed Depreciation/ Brought forward Losses	(94,634,000)	(13,362,000)	-	-	(107,996,000)
Other temporary differences	(74,711,223)	(2,018,000)	-	-	(76,729,223)
Total	**505,903,833**	**(29,367,197)**	**(837,748)**	**(1,180,253)**	**474,518,635**

37 Earnings Per Share

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit/ (Loss) after Tax and exceptional items	19,290,281	26,576,438
Basic/weighted average number of equity shares outstanding during the year	1,442,885	1,442,885
Nominal value of Equity Share	10	10
Basic/Diluted EPS		
On Profit after Tax and exceptional items	**13.37**	**18.42**

38 Pre-operative expenditure which has been capitalised and that carried forward under capital work in progress is as under :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Finance costs	-	-	9,822,570
Other Expenses	-	1,792,933	82,539,965
	-	**1,792,933**	**92,362,535**
Add : Brought forward from Previous year	-	5,554,657	228,245,095
	-	**7,347,590**	**320,607,630**
Less : Capitalised as part of			
Plant & Machinery	-	5,382,045	156,392,419
Buildings	-	-	93,689,090
Others	-	172,612	244,815
Trf to Investment (Site development-Bangalore)	-	1,792,933	64,726,649
Carried forward under Capital work in progress	**-**	**-**	**5,554,657**

39 Disclosure pursuant to Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 :

In respect of unsecured loans given to subsidiary company :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Hindusthan Speciality Chemicals Limited			
Outstanding as at the beginning of year	22,000,000	-	-
Loan given during the year	90,120,000	49,000,000	-
Repayment received during the year	112,120,000	27,000,000	-
Written-off during the year	-	-	-
Outstanding as at the end of year	-	22,000,000	-
Purpose	Business	Business	
Interest Rate per annum	11.50%	11.50%	
ii) Hindusthan Vidyut Products Ltd.			
Outstanding as at the beginning of year	-	2,200,000	2,200,000
Loan given during the year	-	-	-
Repayment received during the year	-	2,200,000	-
Written-off during the year	-	-	-
Outstanding as at the end of year	-	-	2,200,000
Purpose		Business	Business
Interest Rate per annum		11.50%	11.50%

40 Other Disclosures to Statement of Profit and Loss:

	Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
(a)	**NET GAIN/(LOSS) ON FOREIGN EXCHANGE**				
	SUNDRY DEBTORS				
	For Export	11,586,874		2,808,843	
	SUNDRY CREDITORS				
	For Import	(1,082,387)		2,554,417	
	For Foreign Currency Loan	(619,984)		(107,883)	
	For Machinery	-		-	
	Others	(11,957)			
		9872546		**5255377**	
(b)	**PAYMENT TO AUDITORS (including branch auditor)**				
	- Audit fees	320,000		320,000	
	- Out of Pocket Expenses	31,650		20,220	
	- Tax Audit	55,000		55,000	
	- For Certification	70,500		79,000	
		477,150		**474,220**	
	Audit fees for the year ending March 31,2017 includes amount of Rs 20,050/- paid to erstwhile auditors.				
(c)	**AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED**				
	Sundry Debtors Credit Balance Written off	-		9,621,145	
	Sundry Credit Balance Written off	5,865,031		870,888	
	Carriage Inwards/ Outward	698,743		-	
	Jobs on Contract	250,811		-	
	Vat/Duty	335,968		35,871	
	Stores, Spares & Packing material	67,745		113,001	
	Liquidated Damages	-		259,195	
	Provision for Bonus and Others etc.	805,252		1,055,597	
		8,023,550		**11,955,697**	
(d)	**VALUE OF IMPORTS CALCULATED ON C.I.F BASIS**				
	Raw Material	81,290,135		262,871,898	
	Components & Spare Parts	6,122,404		1,255,313	
	Capital Goods	-		-	
		87,412,539		**264,127,211**	
(e)	**EXPENDITURE IN FOREIGN CURRENCY**				
	Interest / Bank Charges	885,495		9,447,154	
	Commission	699,258		4,521,916	
	Others	1,880,922		2,030,343	
	Product Development Expenses	-		13,009,596	
		3,465,675		**29,009,009**	
(f)	**VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %**				
	IMPORTED				
	Raw Materials	81,541,979	1.75%	277,213,917	6.38%
	Stores and Spare Parts	4,319,754	1.87%	2,552,370	1.35%
	INDIGENOUS				
	Raw Materials	4,571,093,171	98.25%	4,071,137,141	93.62%
	Stores and Spare Parts	226,468,873	98.13%	186,319,850	98.65%
		4,883,423,777		**4,537,223,278**	
(g)	**EARNINGS IN FOREIGN EXCHANGE**				
	Exports (F.O.B.)	172,606,505		433,784,568	
	Freight & Insurance on Export	3,723,875		1,963,686	
	Earning by Sale under Global Tender in India	-		-	
	Domestic sales in foreign currency	-		84,230,715	
		176,330,380		**519,978,969**	

41. Financial Instruments : Fair Value Measurement

Financial Assets & Liabilities	Note	Level of hierarchy	31 March 2018			31 March 2017			1 April 2016		
			FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets											
Investments in quoted equity instruments	(c)	**Level 1**	46,131,995			234,187,587			237,532,078		
Investments in unquoted equity instruments	(b)				789,225,332			590,831,512			551,817,512
Investments in Mutual Funds	(c)	**Level 1**	30,928,706			-			-		
Trade receivables	(a)				2,043,521,277			2,188,845,526			2,431,540,332
Loans	(a, b)				2,048,555			22,684,662			2,866,745
Cash and cash equivalents	(a)				89,130,759			5,523,756			9,780,255
Other bank balances	(a, b)				46,809,131			60,010,985			37,895,187
Derivative financial assets	(d)	**Level 2**	275,000			2,044,121			4,546,735		
Other financial assets	(a)				1,619,766			10,403,051			2,382,438
Total financial assets			**77,335,701**	**-**	**2,972,354,820**	**236,231,708**	**-**	**2,878,299,492**	**242,078,813**	**-**	**3,036,282,469**
Financial liabilities											
Non-current borrowings (inluding other current maturities)	(b)				1,137,153,051			1,258,229,479			1,211,792,625
Current borrowings	(a)				532,878,948			793,374,178			1,003,183,624
Trade payables	(a)				1,561,314,200			1,244,317,624			1,393,558,593
Derivative financial liabilities	(d)	**Level 2**	-			8,947,440			-		
Other financial liabilities	(a)				592,265			10,021,227			35,763,346
Total financial liabilities			**-**	**-**	**3,231,938,464**	**8,947,440**	**-**	**3,305,942,508**	**-**	**-**	**3,644,298,188**

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(c) The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.

(d) Derivatives are carried at fair value at each reporting date. The fair values of the dervatives financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(e) There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2018 and 31 March 2017.

42. Financial Risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Company through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see(i);
- liquidity risk (see(ii); and
- market risk (see(iii).

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are avaiable, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annualy. Any sales exceeding those limits require approval from the appropraite authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether thay are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for Trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts avaiable in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is 3050.34 Lacs (31 March 2017: 2999.25 Lacs ; 1 April 2016: 1341.37 Lacs).

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2018	31 March 2017
Balance at the beginning of the year	113,419,459	113,419,459
Add: Provided during the year (net of reversal)	-	-
Less: Amount written off/ translation adjustment	-	-
Balance at the end of the year	**113,419,459**	**113,419,459**

Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receiables, management belives these to be high quality assets with negligble credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on standalone Balance Sheet.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as fas as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury deoarment. Longer term liquidity position is reviewed on a regular basis by the Parrent Company's Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

		Contractual cash flows		
As at 31 March 2018	**Carrying amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	1,670,031,998	1,670,031,998	659,149,204	1,010,882,795
Trade payables	1,561,314,200	1,561,314,200	1,561,314,200	-
Other financial liabilities	**592,265**	**592,265**	**592,265**	

		Contractual cash flows		
As at 31 March 2017	**Carrying amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	2,051,603,657	2,051,603,657	912,601,093	1,139,002,564
Trade payables	1,244,317,624	1,244,317,624	1,244,317,624	
Other financial liabilities	18,968,667	18,968,667	18,968,667	

As at 1 April 2016	Carrying amount	Contractual cash flows Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	2,214,976,249	2,214,976,249	1,116,082,624	1,098,893,625
Trade payables	1,393,558,593	1,393,558,593	1,393,558,593	
Other financial liabilities	35,763,346	35,763,346	35,763,346	

(1) Carrying amount presented as net of unamortised transaction cost.

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company companies. The functional currencies of the Company companies are primarrily the INR, USD and EUR. The currencies in which these transactions are primarily denominated are USD and INR.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 March 2018		31 March 2017			1 April 2016		
	USD	**GBP**	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
Cash and cash equivalents	2,336							
Trade receivable	569,163	326,153	1,485,716	1,423,326		1,811,982	1,402,544	
Loans								
Other financial assets								
Trade payables								
borrowings	(689,775)	(139,450)	(1,692,010)	(21,000)	(130,625)	(2,640,891)		(153,958)
Other financial liabilities								
Net exposure	**(118,276)**	**186,703**	**(206,294)**	**1,402,326**	**(130,625)**	**(828,909)**	**1,402,544**	**(153,958)**

Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD or INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss (before tax) Strengthening	Weakening
31 March 2018		
USD (1% movement)	(1,182.75)	1,182.75
EUR (1% movement)	1,867.03	(1,867.03)
GBP (1% movement)	-	-
31 March 2017		
USD (1% movement)	(2,062.94)	2,062.94
EUR (1% movement)	14,023.26	(14,023.26)
GBP (1% movement)	(1,306.25)	1,306.25

Interest rate risk

Interest rate risk is the risk that the fair value of futire cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaing an appropriate mix metween fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:
The following table provides a break-up of the Company's fixed and floating rate borrowings:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed-rate borrowings	5,307,506	9,826,421	13,911,059
Floating rate borrowings	1,664,724,492	2,041,777,236	2,201,065,190
Total borrowings (gross of transaction costs)	**1,670,031,998**	**2,051,603,657**	**2,214,976,249**

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability oustanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basIs points higher/ lower and all other variables were held constant, the Company's profit for the year ended 31 March 2018 would decrease / increase by 41.62 lacs (31 March 2017: 51.04 lacs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

43. Capital Management

Risk management

The Company's objectives when managing capital are to:

- safeguardng their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the standalone Balance sheet, inluding non-controlling interest).

The gearing ratios were as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net debt	1,503,163,402	1,986,068,915	2,167,300,807
Total equity	4,053,199,254	4,023,976,717	4,012,262,119
Net debt to equity ratio	**0.37**	**0.49**	**0.54**

Dividends

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Equity Shares	1,442,885	1,442,885
Final dividend for the year ended 31 March 2017 of 1/- per fully paid equity share (31 March 2016 of 1/- per fully paid up equity share)	1,442,885	1,442,885
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 1/- per fully paid equity share (31 March 2017: 1/- per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,442,885	1,442,885
	1.00	**1.00**

44. First time adoption of IND AS

The company has adopted IND AS notified by Ministry of Corporate Affairs for the year ended 31/03/2018. For the purpose of transition to IND AS, the company has followed the IND AS – 101 " First Time Adoption of IND AS " from 01/04/2016 as the transition date.

Exemptions availed and mandatory exceptions

Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A) Ind AS optional exemptions

A.1 Fair valuation as deemed cost for certain items of Property, plant and equipment: Ind AS 101 permits an entity to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. Accordingly, the company has elected to use the fair value of certain items of property, plant and equipment on the date of transition and designate the same as deemed cost on the date of transition. Fair value has been determined, by obtaining an external third party valuation,with reference to the depreciated replacement cost of similar assets, a level 3 valuation technique. For the remaining assets, the company has applied Ind AS retrospectively, from the date of their acquisition.

A.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its equity investment.

B) Ind AS mandatory exceptions

B.1 Accounting estimates

In accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

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

-Investment in equity instruments carried at FVTPL;

-Impairment of financial assets based on expected credit loss model

B.2 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be reated retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 1, 2016, are reflected as hedges in the company's results under Ind AS. The company had designated various hedging relationships as fair value hedges under the previous GAAP. On the date of transition to Ind AS, the company has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the company continues to apply hedge accounting on and after the date of transition to Ind AS.

B.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de- recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B.4 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable
The transition to IND AS has resulted in changes in the presentation of the financial statements disclosure in the notes to accounts & accounting policies. The transition from previous GAAP to IND AS has affected the financials.
The reconciliation provided below shows the effect of transition to IND AS from previous GAAP in accordance with IND AS 101:-

1 **Reconciliation of Other Equity as at 31st March 2017 & 1st April 2016**

Particulars	Footnotes	March 31,2017	April 1, 2016
Other equity as per previous GAAP		2,691,853,744	2,709,136,313
Adjustments :			
Revaluation gain on property, plant & equipment	9	1,932,411,097	1,932,411,097
Dividend (including DDT) on payment basis	3	1,736,622	1,736,622
Effect of Fair value of quoted investments	1	38,858,637	(6,633,756)
Provision for doubtful debts & advances	11	(123,067,930)	(123,067,930)
Provision for old & obsolete inventories	12	(196,800,000)	(196,800,000)
Others	5,10	(19,767,391)	(8,280,943)
Tax effects related to above	2	(315,676,912)	(310,668,134)
Other equity as per Ind AS		**4,009,547,867**	**3,997,833,269**

Reconciliation of Profit & Loss for the year ended March 31, 2017

	Particulars	Footnotes	March 31,2017
2	**Profit after tax reported in previous Indian GAAP**		(15,545,941)
	Adjustment:-		
	Actuarial (gain)/loss of gratuity to other comprehensive income	4	3,569,706
	Fair value of investment, classified as fair value through profit & loss	1	45,492,393
	Others	5	(6,939,720)
	Profit after tax as per Ind-AS		26,576,438
	Other Comprehensive Income		
	Actuarial gain/(loss) of gratuity	4	(3,569,706)
	Income Tax related to above		(1,180,252)
	Total Comprehensive income as per Ind-AS		**21,826,480**

3 **Reconciliation of Balance sheet as at 31st March 2017**

Particulars	Footnotes	Regrouped Previous GAAP	Ind AS adjusments	Ind AS
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment	**9**	2,170,258,850	1,943,990,583	4,114,249,433
(b) Capital work - in - progress		25,918,015		25,918,015
(c) Investment Property		114,511,470		114,511,470
(d) Other intangible assets		28,562,453		28,562,453
(e) Financial assets		-		
(i) Investment	**1**	786,160,462	38,858,637	825,019,099
(ii) Bank balances		2,000,000		2,000,000
(iii) Loans		295,300		295,300
(f) Other non - current assets	**11**	80,419,847	(2,319,150)	78,100,697
		3,208,126,397	**1,980,530,070**	**5,188,656,467**

(2) Current assets				
(a) Inventories	**12**	777,107,880	(196,800,000)	580,307,880
(b) Financial assets		-		
(i) Investment		-		-
(ii) Trade receivables	**11**	2,302,264,985	(113,419,459)	2,188,845,526
(iii) Cash and cash equivalents		5,523,756		5,523,756
(iv) Bank balances other than (ii) above		58,010,985		58,010,985
(v) Loans		22,389,362		22,389,362
(vi) Other Financial Assets		12,447,172	-	12,447,172
(c) Current Tax Assets (Net)		99,694,431		99,694,431
(d) Other current assets	**11**	210,536,831	(7,329,321)	203,207,510
		3,487,975,402	**(317,548,780)**	**3,170,426,622**
TOTAL ASSETS		**6,696,101,799**	**1,662,981,290**	**8,359,083,089**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		14,428,850		14,428,850
(b) Other equity	6	2,691,853,745	1,317,694,122	4,009,547,867
		2,706,282,595	**1,317,694,122**	**4,023,976,717**
LIABILITIES				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings		1,139,002,564		1,139,002,564
(b) Provisions		51,766,275		51,766,275
(c) Deferred tax liabilities (net)	2	190,226,921	315,676,912	505,903,833
(d) Other Non-current liabilities	9	19,037,147	10,116,379	29,153,526
		1,400,032,907	**325,793,291**	**1,725,826,198**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		793,374,178		793,374,178
(ii) Trade payables		1,244,317,624		1,244,317,624
(iii) Other financial liabilities	5	131,255,862	6,939,720	138,195,582
(b) Other current liabilities	9,10	347,196,592	14,290,779	361,487,371
(c) Provisions	3	73,642,041	(1,736,622)	71,905,419
		2,589,786,297	**19,493,877**	**2,609,280,174**
Total Equity & Liabilities		**6,696,101,799**	**1,662,981,290**	**8,359,083,089**

4 Reconciliation of Balance sheet as at 1st April 2016

Particulars	**Footnotes**	**Regrouped Previous GAAP**	**Ind AS adjusments**	**Ind AS**
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment	**9**	2,248,530,134	1,945,453,684	4,193,983,818
(b) Capital work - in - progress		26,302,382		26,302,382
(c) Investment Property		112,718,537		112,718,537
(d) Other intangible assets		1,748,479		1,748,479
(e) Financial assets		-		
(i) Investment	**1**	795,983,346	(6,633,756)	789,349,590
(ii) Bank balances		23,672,537		23,672,537
(iii) Loans		311,000		311,000
(f) Other non - current assets	**11**	79,018,079	(2,319,150)	76,698,929
		3,288,284,494	**1,936,500,778**	**5,224,785,272**
(2) Current assets				
(a) Inventories	**12**	731,461,697	(196,800,000)	534,661,697
(b) Financial assets		-		
(i) Investment		-		-
(ii) Trade receivables	**11**	2,544,959,791	(113,419,459)	2,431,540,332
(iii) Cash and cash equivalents		9,780,255		9,780,255
(iv) Bank balances other than (ii) above		14,222,650		14,222,650
(v) Loans		2,555,745		2,555,745
(vi) Other Financial Assets	**5**	2,382,438	4,546,735	6,929,173
(c) Current Tax Assets (Net)		97,834,002		97,834,002
(d) Other current assets	**11**	274,865,285	(7,329,321)	267,535,964
		3,678,061,863	**(313,002,045)**	**3,365,059,818**
TOTAL ASSETS		**6,966,346,357**	**1,623,498,733**	**8,589,845,090**

	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital		14,428,850		14,428,850
	(b) Other equity	**6**	2,709,136,313	1,288,696,956	3,997,833,269
			2,723,565,163	**1,288,696,956**	**4,012,262,119**
	LIABILITIES				
(1)	Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		1,098,893,625		1,098,893,625
	(b) Provisions		48,178,082		48,178,082
	(c) Deferred tax liabilities (net)	**2**	222,169,000	310,668,134	532,837,134
	(d) Other Non-current liabilities	**9**	-	11,579,486	11,579,486
			1,369,240,707	**322,247,620**	**1,691,488,327**
(2)	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		1,003,183,624		1,003,183,624
	(ii) Trade payables		1,393,558,593		1,393,558,593
	(iii) Other financial liabilities		148,662,346		148,662,346
	(b) Other current liabilities	**9,10**	254,765,122	14,290,779	269,055,901
	(c) Provisions	**3**	73,370,802	(1,736,622)	71,634,180
			2,873,540,487	12,554,157	2,886,094,644
	Total Equity & Liabilities		**6,966,346,357**	**1,623,498,733**	**8,589,845,090**

5 Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	**Footnotes**	**Regrouped Previous GAAP**	**Ind AS adjusments**	**Ind AS**
I	Revenue from operations (gross)	**9**	7,266,351,089	1,463,101	7,267,814,190
II	Other income	**1,5**	48,927,124	40,491,674	89,418,798
III	**Total Income (I + II)**		**7,315,278,213**	**41,954,775**	**7,357,232,988**
IV	**Expenses**				
	Cost of materials consumed		4,348,351,058	-	4,348,351,058
	Purchases of stock-in-trade		5,187,006	-	5,187,006
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		19,547,084	-	19,547,084
	Excise Duty on Sales		706,832,512	-	706,832,512
	Employee benefits expense	**4**	301,569,756	(3,569,706)	298,000,050
	Finance Cost	**5**	368,213,024	1,939,000	370,152,024
	Depreciation and amortisation expense	**9**	152,239,404	1,463,101	153,702,505
	Other expenses		1,460,826,390	-	1,460,826,390
	Total Expenses		**7,362,766,233**	**(167,605)**	**7,362,598,629**
V	**Profit /(Loss) before exceptional items and tax (III - IV)**		**(47,488,020)**	**42,122,379**	**(5,365,641)**
VI	Exceptional items		-	-	-
VII	**Profit / (Loss) before tax**		**(47,488,020)**	**42,122,379**	**(5,365,641)**
VIII	**Tax expense:**				
	(1) Current Tax		-	-	-
	(2) Deferred tax		(31,942,079)	-	(31,942,079)
			(31,942,079)	**-**	**(31,942,079)**
IX	**Profit / (Loss) for the year (VII - VIII)**		**(15,545,941)**	**42,122,379**	**26,576,438**
X	**Other comprehensive income**				
	A - (i) Items that will not be reclassified to profit or loss	**4**		(3,569,706)	(3,569,706)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			(1,180,252)	(1,180,252)
	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		-	-	-
			-	**(4,749,958)**	**(4,749,958)**
XI	**Total comprehensive income for the period (IX + X)**		**(15,545,941)**	**37,372,421**	**21,826,480**

6 Reconciliation of cash flows for the year ended March 31,2017

The transition from estwhile Indian GAAP to Ind AS has not made any material impact on the statement of cash flows.

Notes to Reconciliation :

Note 1: Fair Valuation of Investments

Under the previous GAAP, investments in equity instruments and other instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes with respect to investments in equity instruments have been recognised in FVTPL as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2017. This increased total equity by 388.58 lacs as at 31 March 2017 (1 April 2016: (-)66.34 lacs) and profit and loss for the year ended 31 March 2017 by 454.92 Lacs

Note 2: Deferred Taxes

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Rs. 3156.77 Lacs (1 April 2016: Rs. 3106.68 Lacs)

Note 3: Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 17.37 Lacs as at 31 March 2017 (1 April 2016: 17.37 Lacs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 4: Re-measurements of post employement benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31 , 2017 increased by Rs. 35.70 Lacs There is no impact on the total equity as at 31 March 2017

Note 5: Mark to Market Gain/(Loss) on Derivative contracts

Recognition of mark-to-market gain/(loss) of Rs (69.40) lacs & Rs 45.47 lacs as at 31 March 2017 & 1 April 2016 respectively on forward contracts which was not permitted under previous GAAP

Note 6: Retained Earnings

Retained earnings as at March 31,2017 has been increased by Rs 13176.94 lacs (April 1, 2016 : Rs 12886.97 lacs) consequent to the above Ind AS transition adjustments.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit andlJoss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP

Note 8: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs. 7068.33 Lacs. There is no impact on the total equity and profit

Note 9: Fair Valuation as deemed cost for certain items of Property, Plant and Equipment and Government Subsidy

Ind AS 101 permits an entity to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. Accordingly, the Company has elected to use the fair value of certain items of property, plant and equipment on the date of transition and designate the same as deemed cost on the date of transition. Fair value has been determined, by obtaining an external third party valuation,with reference to the depreciated replacement cost of similar assets, a level 3 valuation technique. This change has resulted in as increase in equity amounting to Rs 19324.11 lacs as on 31st March 17 (1 April 16: Rs 19324.11 lacs)

Government Subsidy received on purchase of plant and equipments in respect of manufactuing unit located in specified regions has been recognised as government grant by an increase in the carrying value of plant and equipment with a corresponding credit to the deferred government grant. The increase in the value of plant and equipment is depreciated over the balance useful life of the asset. The deferred grant revenue is released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Under Previous GAAP such benefits were being netted off with the cost of the respective item of plant and equipment. This has resulted in net increase in the value of plant and equipment by Rs 115.80 lacs and Rs 130.43 lacs as at March 31, 2017 and April 01, 2016 respectively. There is no resultant impact on equity.

Note 10: Liability for Interest on Sales Tax Liability
Liability for Interest on Sales Tax amounting Rs 128.28 lacs provided in books as at 31 March 2017 (Rs 128.28 lacs - 1 April 2016). This has resulted in decrease in equity by the same amount.

Note 11: Provision for Doubful Debts and Advances
Provision for doubful debts & advances has been made in books on transition to Ind-AS. This has resulted in decrease in equity by Rs 1230.68 lacs as at March 31,2017 (April 1 2016 : Rs 1230.68 lacs)

Note 12: Provision for Old & Obsolete Inventories
Provision in respect of excess, slow-moving, damaged, or obsolete inventories has been made in books on transition to Ind-AS. This has resulted in decrease in equity by Rs 1968 lacs as at March 31,2017 (April 1 2016: Rs 1968 lacs)

45 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.

46 The financials statements has been approved by the Board on 3rd May, 2018.

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of Hindusthan Urban Infrastructure Ltd

As per our report of even date
For K. N. Gutgutia & Company
Chartered Accountants
FRN: 304153E

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May 2018

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and Managing Director

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr. V.P. Finance & Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Hindusthan Urban Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement Of Profit And Loss (including Other Comprehensive Income), the Consolidated Statement Of Cash Flows And the Consolidated Statement Of Changes In Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribes under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standard and matters which are required to be included in the audit report under the provisions of the Act and the Rule made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment. Including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31 March 2018, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of Guwahati Unit of the Company included in the standalone Ind AS financial statements, whose financial statement reflect total assets of Rs. 9,503.63 Lakhs as at 31st March, 2018 and total revenues of Rs. 10,141.58 Lakhs for the year ended 31st March, 2018 as considered in the standalone Ind AS financial statements. These financial statements have been audited by the other auditor, whose report has been furnished to us by the management and our opinion on the standalone Statement, in so far as it relates to the amounts and disclosure included in respect of Guwahati Unit is based solely on the report of the other auditor.

We did not audit the financial statements of one wholly own subsidiary namely Vidyut Products Limited of the company included in the consolidated financial statements, whose consolidated audited financial statement reflect total assets of Rs.32,454/- as at 31st March 2018 and total revenue and net loss of Rs. Nil and Rs. 11,292/- respectively for the year ended 31st March, 2018 as considered in the consolidated statement. These financial statement have been audited by the other auditor, whose report has been furnished to us by the management and our opinion on financial statement to the extent they have been derived from such audited financial statement is based on the report of such auditor.

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 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.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed 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 Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies incorporated in India, none of the directors of the Group's companies incorporated in India are disqualified as on 31 March 2018 from being appointed as a director of that company 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 Holding Company and its subsidiary companies incorporated in India 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31 to the consolidated Ind AS financial statements;

    (ii) the group did not have any foreseeable losses on long term contracts and had not derivative contracts outstanding as at 31st March 2018.

    (iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the group.

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)
PARTNER
M.NO. 12172

PLACE: NEW DELHI
DATE: 03rd MAY, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of Hindusthan Urban Infrastructure Limited ("the holding Company") and its subsidiary companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding company and its subsidiary Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India 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". 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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 and its subsidiary company incorporated in India, have, 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 March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

Other Matter

Our aforesaid report 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 one unit of holding company and one subsidiary company, incorporated in India, is based on the corresponding reports of the auditors of such unit/company incorporated in India.

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)
PARTNER
M.NO. 12172

PLACE: NEW DELHI
DATE: 3rd MAY, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

	Particulars	Note No.	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)	As at April 1, 2016 (₹)
	ASSETS				
(1)	**Non - current assets**				
	(a) Property, Plant and Equipment	2	4,150,881,163	4,241,423,646	4,325,100,340
	(b) Capital work - in - progress	3	1,068,821,676	387,762,737	275,948,324
	(c) Investment Property	4	112,411,470	114,511,470	112,718,537
	(d) Other Intangible Assets	5	25,811,379	30,530,568	3,251,879
	(e) Financial assets				
	(i) Investment	6	46,131,995	234,187,587	237,532,078
	(ii) Other Financial Assets	9	22,843,754	22,521,717	23,672,537
	(iii) Loans	10	-	295,300	311,000
	(f) Other non - current assets	13	116,026,676	128,523,041	92,709,575
	Total non - current assets		**5,542,928,113**	**5,159,756,066**	**5,071,244,270**
(2)	**Current assets**				
	(a) Inventories	7	714,394,392	599,990,436	571,762,641
	(b) Financial assets				
	(i) Investment	6	30,928,706		21,500,000
	(ii) Trade receivables	8	2,076,540,591	2,216,205,576	2,447,368,006
	(iii) Cash and cash equivalents	9	244,508,527	41,880,794	16,061,308
	(iv) Other bank balances	9	27,140,039	96,336,580	53,812,650
	(v) Loans	10	2,048,555	389,362	355,745
	(vi) Other Financial Assets	11	1,941,726	13,383,877	11,157,058
	(c) Current Tax Assets (Net)	12	103,248,055	100,064,937	99,990,105
	(d) Other Current Assets	13	507,427,972	235,919,147	285,347,495
	Total current assets		**3,708,178,563**	**3,304,170,709**	**3,507,355,008**
	Total Assets		**9,251,106,676**	**8,463,926,775**	**8,578,599,278**
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital	14	14,428,850	14,428,850	14,428,850
	(b) Other equity		3,985,859,982	3,981,510,531	3,976,351,857
	Total equity		**4,000,288,832**	**3,995,939,381**	**3,990,780,707**
	LIABILITIES				
(1)	**Non - current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	15	1,960,574,302	1,248,684,385	1,098,893,625
	(b) Provisions	18	53,554,247	52,685,789	48,851,370
	(c) Deferred tax liabilities (net)	19	459,256,250	497,228,478	534,507,002
	(d) Other Non-current liabilities	20	12,548,816	29,153,526	11,579,486
	Total non - current liabilities		**2,485,933,615**	**1,827,752,178**	**1,693,831,483**
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	15	541,341,472	793,374,178	1,003,183,624
	(ii) Trade payables	16	1,601,989,078	1,269,347,942	1,394,468,291
	(iii) Other financial liabilities	17	170,940,578	140,641,602	152,701,770
	(b) Other current liabilities	20	400,338,704	364,281,077	269,769,710
	(c) Provisions	18	50,274,397	72,590,417	73,863,693
	Total current liabilities		**2,764,884,229**	**2,640,235,216**	**2,893,987,088**
	Total Equity & Liabilities		**9,251,106,676**	**8,463,926,775**	**8,578,599,278**
Significant accounting policies		**1**			
Notes to the financial statements		**2-46**			

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of Hindusthan Urban Infrastructure Ltd

As per our report of even date
For KN Gutgutia & Company
Chartered Accountants
FRN: 304153E

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and Managing Director

(B R Goyal)
Partner
M.No.12172

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr.V.P.Finance & Company Secretary

Place: New Delhi
Date: 3rd May, 2018

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Particulars	Note No.	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
I	Revenue from operations	21	7,186,754,906	7,399,822,359
II	Other income	22	92,421,893	91,958,048
III	**Total income (I + II)**		**7,279,176,799**	**7,491,780,407**
IV	**Expenses**			
	Cost of Materials Consumed	23	4,730,487,980	4,379,848,176
	Purchase of Stock-In-Trade	23	42,611,298	64,732,446
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(34,586,202)	35,701,774
	Excise Duty on sales		194,468,437	719,787,612
	Employee benefits expense	25	325,552,613	307,822,591
	Finance costs	26	377,065,753	370,301,216
	Depreciation and amortization expense	27	168,866,378	161,575,129
	Other expenses	28	1,539,998,473	1,473,774,460
	Total expenses		**7,344,464,730**	**7,513,543,404**
V	Profit /(Loss) before exceptional items and tax (III - IV)		(65,287,931)	(21,762,997)
VI	Exceptional items	30	(23,102,470)	-
VII	**Profit/(Loss) before tax**		(42,185,461)	(21,762,997)
VIII	Tax expense/(benefit)			
	(1) Current tax		-	-
	(2) Deferred tax		(35,924,396)	(42,308,046)
	(3) Tax adjustment of earlier years			505,444
			(35,924,396)	(41,802,602)
IX	Profit / (Loss) for the year (VII - VIII)		**(6,261,065)**	**20,039,605**
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss	29	2,595,307	(3,489,148)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		867,579	(1,200,996)
	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		-	-
	Total Other Comprehensive Income for the year		3,462,886	(4,690,144)
XI	Total Comprehensive Income for the year (IX + X)		(2,798,179)	15,349,461
XII	Earnings per equity share:			
	(1) Basic		(4.34)	13.89
	(2) Diluted		(4.34)	13.89
	Significant accounting policies	1		
	Notes to the financial statements	2-46		

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of
Hindusthan Urban Infrastructure Ltd

As per our report of even date
For KN Gutgutia & Company
Chartered Accountants
FRN: 304153E

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May, 2018

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and
Managing Director

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr.V.P.Finance &
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Year ended March 31, 2018 (₹)	Year ended March 31, 2017 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) Before Tax	**(42,185,461)**	**(21,762,998)**
Adjustments for :		
Depreciation & amortisation expenses	168,866,378	161,575,129
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	185,500	2,015,431
Finance Cost	377,065,753	370,301,216
Provision for Liquidated Damages/ Bad Debts W/off	6,460,434	5,655,704
Liability/Sundry Balance Written back	(8,023,550)	(11,955,697)
Provision for Employee Benefits	(2,336,562)	13,059,690
Re-measurement of defined benefit plans transferred to OCI	2,595,307	(3,569,706)
Lease Rent Equilisation Reserve	(65,788)	1,654
Rental Income	(8,479,117)	-
Exceptional Items	(23,102,470)	-
Interest Income	(9,586,764)	(19,360,276)
Dividend Income	(826,727)	-
Profit on Sale of Fixed Assets(PPE)	(0)	(3,665,541)
Profit on Sale of Investment	(24,530,661)	(6,826,590)
Gain on Mark to Market of Investments	(18,305,357)	(48,918,008)
Deferred Government Grant transferred	(1,463,101)	(1,463,101)
Operating Profit Before Working Capital Changes	**416,267,813**	**435,086,906**
Adjustments for:		
(Increase)/Decrease in Trade Receivables	133,026,879	223,066,320
(Increase)/Decrease in Loans & Advances and Other Assets	(70,729,389)	47,670,708
(Increase)/Decrease in Inventories	(114,403,955)	(28,227,795)
Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	352,431,676	(66,752,488)
Cash Generated from Operations	**716,593,024**	**610,843,651**
Direct Tax Paid (net of refund)	3,553,624	1,860,429
Net Cash Inflow /(Outflow) from Operating Activities	**713,039,400**	**608,983,222**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition / Purchase of Fixed Assets (PPE)	(952,369,596)	(275,211,692)
Sale Proceeds of Fixed Assets(PPE)	39,188,591	10,590,099
Purchase of Investment	(342,000,000)	(351,792,932)
Sale of Investments in shares / mutual funds	544,062,904	430,589,090
Interest Income Received	13,543,985	15,330,176
(Investment)/redemption in Term Deposit with bank as margin money (including unclaimed dividend)	68,874,504	(41,373,110)
Dividend Income Received	826,727	-
Capital Subsidy received	8,479,117	-
Net Cash Inflow /(Outflow) from Investing Activities	**(619,393,768)**	**(211,868,368)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From / (Repayment) of Short Term Borrowings (net)	(257,223,912)	(204,721,740)
Loan taken from /(repaid to) Related parties	(3,657,372)	74,750,000
Proceeds From Long Term Borrowings	840,009,686	194,081,821
Repayment of Long term Borrowings	(117,419,056)	(112,713,146)
Finance Cost Paid	(350,902,883)	(320,947,047)
Dividend Paid (including DDT)	(1,824,362)	(1,745,256)
Net Cash Inflow /(Outflow) from Financing Activities	**108,982,101**	**(371,295,368)**
Net Increase/ (Decrease) in cash & cash equivalents	**202,627,733**	**25,819,486**
Cash & cash equivalents at Beginning of the Year	41,880,794	16,061,308
Cash & cash equivalents at End of the Year	**244,508,527**	**41,880,794**
Components of cash & cash equivalents:		
- Balance with Banks : On current accounts	243,768,096	39,873,860
- Cash on hand	740,431	2,006,934
	244,508,527	**41,880,794**

1) The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS-7 : Statement of Cash Flows
2) Acquisition/Purchase of fixed assets includes movement of capital work in progress, Intangible assets under development and capital advances & capital payable, paid during the year.

Significant accounting policies	**1**
Notes to the financial statements	**2-46**

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of Hindusthan Urban Infrastructure Ltd

As per our report of even date
For KN Gutgutia & Company
Chartered Accountants
FRN: 304153E

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May, 2018

Vivek Dayaram Kohli
DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and Managing Director

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr.V.P.Finance & Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital

Particulars	Issued		Subscribed & fully paid up	
Equity shares of Rs 10 each	**No of Shares**	**Amount**	**No of Shares**	**Amount**
As at April 1, 2016	1443000	14430000	1442885	14428850
As at March 31, 2017	1443000	14430000	1442885	14428850
As at March 31, 2018	1443000	14430000	1442885	14428850

B Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Lease Rent Equilisation Reserve	General Reserve	Surplus / (Deficit)	Remeasurement of Defined Benefit Plans	Total
Balance as at 01.04.2016 (A)	**2,643,500**	**62,562**	**3,979,076,688**	**(5,430,893)**	**-**	**3,976,351,857**
Profit for the year	-	-	-	20,039,605	-	20,039,605
Items of OCI for the year ended, net of tax-	-	-	-			-
Remeasurement benefit of defined benefit plans	-	-	-	-	(4,690,144)	(4,690,144)
Total Comprehensive Income for the year 2016-17 (B)	**-**	**-**	**-**	**20,039,605**	**(4,690,144)**	**15,349,461**
Increase / Reductions during the year	-	-				-
Proposed Dividend on Equity	-	-	-	(1,442,885)	-	(1,442,885)
Tax on Dividend	-	-	-	(293,737)	-	(293,737)
Other Adjustments of Ind AS	-	1,654	(8,455,819)			(8,454,165)
Transferred to / (from) - Surplus / (Deficit)	-	-	(25,000,000)	25,000,000	-	-
Transferred to / (from) - Revaluation Reserve	-	-	-	-	-	-
Total (C)	**-**	**1,654**	**(33,455,819)**	**23,263,378**	**-**	**(10,190,787)**
Balance as at 31.03.2017 (A)+(B)+(C) (D)	**2,643,500**	**64,216**	**3,945,620,869**	**37,872,090**	**(4,690,144)**	**3,981,510,531**
Profit for the year	-	-	-	(6,261,065)	-	(6,261,065)
Items of OCI for the year ended, net of tax-	-	-	-			-
Remeasurement benefit of defined benefit plans	-	-	-		3,462,886	3,462,886
Total Comprehensive Income for the year 2017-18 (E)	**-**	**-**	**-**	**(6,261,065)**	**3,462,886**	**(2,798,179)**
Increase / Reductions during the year	-	-		-		-
Proposed Dividend on Equity	-	-	-	(1,442,885)	-	(1,442,885)
Tax on Dividend	-	-	-	(293,737)	-	(293,737)
Other Adjustments of Ind AS	-	(65,788)	8,950,040	-		8,884,252
Transferred to / (from) - Surplus / (Deficit)	-	-	-	-	-	-
Transferred to / (from) - Revaluation Reserve	-	-	-	-	-	-
Total (F)	**-**	**(65,788)**	**8,950,040**	**(1,736,622)**	**-**	**7,147,630**
Balance as at 31.03.2018 (D)+(E)+(F) (G)	**2,643,500**	**(1,572)**	**3,954,570,909**	**29,874,403**	**(1,227,258)**	**3,985,859,982**

Significant accounting policies **1**

Notes to the financial statements **2-46**

The accompanying notes referred to above form an integral part of the financial statements.

For and on behalf of the Board of directors of
Hindusthan Urban Infrastructure Ltd

As per our report of even date
For KN Gutgutia & Company
Chartered Accountants
FRN: 304153E

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 3rd May, 2018

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and
Managing Director

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr.V.P.Finance &
Company Secretary

GROUP INFORMATION

Hindusthan Urban Infrastructure Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at 'Kanchenjunga' (7th Floor),18, Barakhamba Road, New Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE).

The Group is engaged mainly in the business of manufacturing & selling electrical conductor, insulator products & chemical products and also engaged in wind power and investing activities.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on 03rd May, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

(a) Statement of compliance

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2017, the Group had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, financial performance and cash flows is given under Note 43.

(b) Historical cost convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

1.2 The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits.

ii. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind-AS 110), "Consolidated Financial Statements" and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The subsidiary companies considered in the consolidated financial statements are as under:

Name	Country of Incorporation	Percentage of Ownership
Hindusthan Speciality Chemicals Ltd.	India	100%
Hindusthan Vidyut Products Ltd.	India	100%
Hindusthan Projects Ltd.	India	100%

iii. The excess of cost to the Company of its investments in the subsidiary Company over its share of the equity of the subsidiary Company, at the date on which the investment in the subsidiary Company is made, is recognized as 'goodwill' in the consolidated financial statement. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the date of investment.

iv. Goodwill in the Balance Sheet represents goodwill arising on consolidation of subsidiaries. Goodwill on consolidation is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

v. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

1.3 Current & non-current classification:

The assets and liabilities are classified into current and non-current.

Assets

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

a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the portion of non current financial assets. All other assets are classified as non-current.

Liabilities

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

a) it is expected to be settled in the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within 12 months after reporting date; or

d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

1.4 Property, Plant and Equipment and Intangible Assets

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, and any directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenditure incurred on start-up and commissioning of the project and/or substantial expansion, including the expenditure up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(ii) Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances paid towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

(iii) Intangible Assets

- **Acquired Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

- **Internally generated intangible assets**

Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

(iv) Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

(v) Depreciation and Amortisation

- **Depreciation**

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method as per the useful lives and in the manner prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve.

- **Amortisation**

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The estimated useful life of intangible assets like Product development, Software systems etc. has been estimated as five years.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

(vi) Transition to Ind AS

On transition to Ind AS, the Group has elected to measure its Property, Plant and Equipment at the previous GAAP carrying amount (except certain items of PPE at fair valuation), as its deemed cost on the date of transition of Ind AS i.e, 1 April 2016.

1.5 Impairment

The Group assesses at each Balance Sheet date whether there is any indication that an asset/cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset/cash generating unit. If such recoverable amount of the asset or the recoverable amount of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

An assessment is also done at each balance sheet date whether there is any indication that an impairment loss recognized for an asset/cash generating unit in prior accounting periods may no longer exist or may have decreased. If any such indications exists, the assets/ cash generating unit’s recoverable amount is estimated. The carrying amount of the fixed asset/ cash generating unit is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous periods. A reversal of impairment loss is recognized in the Statement of Profit and Loss.

1.6 Revenue Recognition

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, recovery of the consideration is reasonably assured and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax, value added tax, goods & service tax (GST) and discounts, if any.

Income from subsidy, disbursed/disbursable by the Governments is included in other operating income. The subsidy amount is recognized only to the extent that the realization is reasonably assured.

Dividend income is recognized when the right to receive the income is established. Income from interest on deposits and loans is recognized on time proportionate basis. Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and are included in other operating income.

1.7 Government grants and subsidies

The Group is entitled to subsidies from government in respect of manufacturing unit located in specified regions.

Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to them.

Government subsidy relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected life of the related assets and presented within other operating revenue.

1.8 Inventory

Inventories are stated at lower of cost or net realisable value except scrap which is valued at net estimated realizable value.

The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and in case of Insulators Division on the basis of First-in-First out (FIFO).

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

The cost of work-in-progress and finished goods comprises of raw materials, packing materials, direct labour, other direct costs, and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion/ reprocessing and the estimated cost necessary to make the sale.

1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a) Effective interest method

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

Income is recognized on effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the statement of profit and loss and is included in the" Other income" line item.

b) Investment in Equity Instruments at fair value through profit & loss

These investments 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 recognized in profit & loss

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

B) Financial Liabilities

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.10 Derivative financial instrument and Hedge accounting

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

1.11 Measurement of Fair Values

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized with in the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

1.12 Investment in Subsidiary Companies

The Group has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.The details of such investments are given in Note 6.

1.13 Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency(i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

1.14 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

1.15 Provisions and Contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

1.16 Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances,demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

1.17 Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability(accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined Contribution plans:

Recognition and measurement of defined contribution plans:

The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period.

II. Defined Benefit plans:

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the actuarial valuation techniques with actuarial valuations being carried out at each reporting date. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses, are recognized in Other Comprehensive Income. The Group presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the actuarial valuation techniques.

1.18 Research & Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

1.19 Borrowing Cost

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

1.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

1.21 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.22 Earnings Per Share

a) Basic earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders after taking income tax effect of interest and other finance cost associated with dilutive potential equity shares and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.23 Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.24 Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Rules, 2015, notifying Ind AS 115, 'Revenue from Contracts with Customers'. This Ind AS is in accordance with the IFRS 15. However, considering the challenges and difficulties, MCA deferred the applicability of this Ind AS and made it implemented from April 01, 2018.

This Ind AS obliges the Company to book its revenue from customers on the 5 step model as below :-

Step -1: Identify the contract with the customer

Step -2: Identify the performance obligations in the contract

Step -3: Determine the transaction price

Step- 4: Allocate the transaction price to the performance obligations

Step -5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Basis the operations of the Company, the company is evaluating the requirement of the amendment

1.25 Key Accounting estimates and judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures,and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year,are described below:

a. Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b. Defined benefit obligation

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 33, 'Employee benefits'.

c. Fair value measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using prudent valuation techniques, which involve various judgements and assumptions.

d. Income taxes

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions/deferred tax liability/assets.

2 Property, Plant & Equipments

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	Computers & IT equipment	Office equipment	Furniture & fixtures	Motor Vehicle	Total
Gross Block (at cost or revalued amount)									
As at 01.04.2016	2,079,160,000	90,704,421	843,570,005	2,383,955,273	6,116,401	16,690,365	39,106,093	51,838,306	**5,511,140,863**
Additions	-	-	16,579,286	54,376,468	1,181,009	2,069,014	6,490,837	1,152,128	**81,848,742**
Disposals	-	-	-	(30,959,692)	(266,787)	(405,743)	(129,696)	(3,319,544)	**(35,081,462)**
Other adjustments	-	-	-	-	-	-	-	-	**-**
As at 31.03.2017	2,079,160,000	90,704,421	860,149,291	2,407,372,048	7,030,623	18,353,635	45,467,234	49,670,890	**5,557,908,143**
As at 01.04.2017	2,079,160,000	90,704,421	860,149,291	2,407,372,048	7,030,623	18,353,635	45,467,234	49,670,890	**5,557,908,143**
Additions	-	-	2,537,852	79,921,642	2,582,178	1,048,052	1,199,854	1,884,905	**89,174,484**
Disposals	-	-	-	(135,670,954)	(100,001)	(727,956)	(549,799)	(3,734,591)	**(140,783,301)**
Other adjustments	-	-	-	-	-	-	-	-	**-**
As at 31.03.2018	**2,079,160,000**	**90,704,421**	**862,687,143**	**2,351,622,737**	**9,512,800**	**18,673,731**	**46,117,290**	**47,821,204**	5,506,299,326
Depreciation									
As at 01.04.2016	-	4,010,254	177,919,289	968,716,299	4,472,739	8,370,733	3,723,332	18,827,877	**1,186,040,523**
Charge for the year	-	382,191	35,981,590	106,880,576	846,999	2,539,177	3,854,000	5,686,406	**156,170,939**
Disposals	-	-	-	(25,486,507)	(253,443)	(384,279)	(123,211)	(1,909,463)	**(28,156,904)**
Adjustments	-	760,925	20,851	1,463,101	10,139	6,669	2,308	165,946	**2,429,939**
As at 31.03.2017	-	5,153,370	213,921,731	1,051,573,468	5,076,434	10,532,300	7,456,428	22,770,766	**1,316,484,497**
As at 01.04.2017	-	5,153,370	213,921,731	1,051,573,468	5,076,434	10,532,300	7,456,428	22,770,766	**1,316,484,497**
Charge for the year	-	363,198	36,601,051	110,938,261	970,217	2,462,100	4,184,585	5,165,179	**160,684,592**
Disposals	-	-	-	(121,465,750)	(92,828)	(689,470)	(437,986)	(1,681,751)	**(124,367,785)**
Adjustments	-	760,925	84,563	1,463,101	156,112	70,524	26,829	54,805	**2,616,859**
As at 31.03.2018	**-**	**6,277,493**	**250,607,345**	**1,042,509,080**	**6,109,935**	**12,375,454**	**11,229,856**	**26,308,999**	**1,355,418,163**
Net Block									
As at 01.04.2016	2,079,160,000	6,694,167	665,650,716	1,415,238,974	1,643,662	8,319,632	35,382,761	33,010,429	**4,325,100,340**
As at 31.03.2017	2,079,160,000	85,551,051	646,227,560	1,355,798,580	1,954,190	7,821,335	38,010,806	26,900,124	**4,241,423,646**
As at 31.03.2018	**2,079,160,000**	**84,426,928**	**612,079,798**	**1,309,113,656**	**3,402,866**	**6,298,277**	**34,887,433**	**21,512,205**	**4,150,881,163**

3 Capital Work in Progress

Particulars	Capital Work In Progress
As at 01.04.2016	275,948,324
As at 31.03.2017	387,762,737
As at 31.03.2018	**1,068,821,676**

4 Investment Property

Particulars	Total
Gross Block (At Cost)	
As at 01.04.2016	112,718,537
Additions	1,792,933
As at 31.03.2017	**114,511,470**
As at 01.04.2017	114,511,470
Additions	-
Other adjustments	(2,100,000)
As at 31.03.2018	**112,411,470**
Depreciation	
As at 01.04.2016	-
Charge for the year	-
As at 31.03.2017	**-**
As at 01.04.2017	-
Charge for the year	-
As at 31.03.2018	**-**
Net Block	
As at 01.04.2016	112,718,537
As at 01.04.2017	114,511,470
As at 31.03.2018	**112,411,470**

5 Other Intangible Assets

Particulars	Total
Gross Block (at cost or revalued amount)	
As at 01.04.2016	4,340,196
Additions	31,219,778
As at 31.03.2017	**35,559,974**
As at 01.04.2017	35,559,974
Additions	2,006,670
Disposals	-
Other adjustments	-
As at 31.03.2018	**37,566,644**
Amortization	
As at 01.04.2016	1,088,317
Charge for the year	3,941,089
Disposals	-
Adjustments	-
As at 31.03.2017	**5,029,406**
As at 01.04.2017	5,029,406
Charge for the year	6,718,685
Disposals	-
Adjustments	7,174
As at 31.03.2018	**11,755,265**
Net Block	
As at 01.04.2016	3,251,879
As at 01.04.2017	30,530,568
As at 31.03.2018	**25,811,379**

6 Financial Assets: Investments

Particulars	**As at 31.03.2018**		**As at 31.03.2017**		**As at 01.04.2016**	
Investments in Equity Shares	**Current**	**Non-Current**	**Current**	**Non-Current**	**Current**	**Non-Current**
a) Quoted Equity Shares (Measured at FVTPL)						
Reliance Industries Ltd.		44,140,000		231,067,114		235,345,354
Ballarpur Industries Ltd.		1,991,995		3,120,473		2,186,724
		46,131,995		**234,187,587**		**237,532,078**
b) Mutual Funds:Quoted (Measured at FVTPL)						
Aditya Birla Sunlife Cash Plus	30,928,706	-		-	21,500,000	-
Total	**30,928,706**	**46,131,995**		**234,187,587**	**21,500,000**	**237,532,079**

	As at 31.03.2018		**As at 31.03.2017**		**As at 01.04.2016**	
	No. of Units	**Amount**	**No. of Units**	**Amount**	**No. of Units**	**Amount**
Aggregate amount of quoted investments - At Cost						
Investments in Equity Shares - Others						
Reliance Industries Ltd. (Rs 10 each)	50,000	26,794,653	175,157	189,997,849	225,157	238,834,734
Ballarpur Industries Ltd. (Rs 2 each)	159,615	5,331,101	159,615	5,331,101	159,615	5,331,101
Aggregate amount of quoted investments - At Cost		**32,125,754**		**195,328,950**		**244,165,835**
Investments in Mutual Funds: Quoted						
Aditya Birla Sunlife Cash Plus	110731	**30,928,706**			88774	**21,500,000**
Aggregate amount of quoted investments - At Market value		**77,060,701**		**234,187,587**		**259,032,079**

7 Inventories

Particulars	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**
(I) Raw materials - In hand	183,454,966	141,448,886	114,845,095
- In Transit	1,168,969	24,303,172	8,266,062
(II) Work-in-Progress	220,038,722	215,917,591	101,056,840
(III) Finished Goods	144,906,024	123,768,588	269,219,989
(IV) Stores & Spares and Packing	158,290,776	83,905,463	69,831,742
(V) Loose Tools	1,800,812	3,796,363	3,935,202
(VI) Scrap	**4,734,123**	**6,850,373**	**4,607,711**
Total	**714,394,392**	**599,990,436**	**571,762,641**

(i) For method of valuation of inventories, refer note 1.8

(ii) The provision in respect of excess, slow-moving, damaged, or obsolete inventories lying in books as on March 31,2018, March 31,2017 and April 1,2016 is Rs 1750 Lacs for Work in Progress & Rs 218 Lacs for Stores & Spares and Packing.

8 Financial Assets: Trade Receivables

Particulars	Non - current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured						
- Considered good	-	-	-	139,584,744	403,515,483	775,575,836
	-	**-**	**-**	**139,584,744**	**403,515,483**	**775,575,836**
Unsecured						
- Considered good	-	-	-	1,936,955,847	1,812,690,093	1,671,792,170
- Considered doubtful	-	-	-	113,419,459	113,419,459	113,419,459
Less: Provision for doubtful trade receivables	-	-	-	(113,419,459)	(113,419,459)	(113,419,459)
	-	**-**	**-**	**1,936,955,847**	**1,812,690,093**	**1,671,792,170**
Total	**-**	**-**	**-**	**2,076,540,591**	**2,216,205,576**	**2,447,368,006**

9 Financial Assets: Cash & cash equivalents and Other Bank Balances

Particulars	Non - current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash and Bank Balances						
(I) Cash & cash equivalents						
(i) Balance with Banks						
Current Accounts	-	-	-	243,768,096	39,873,860	12,720,323
(ii) Cash on Hand	-	-	-	740,431	2,006,934	3,340,985
	-	**-**	**-**	**244,508,527**	**41,880,794**	**16,061,308**
(II) Other Bank Balances						
Earmarked Balances with Banks - Unclaimed Dividend	-	-	-	418,765	506,505	515,139
Deposits with Banks held as Margin money/ Security	22,843,754	22,521,717	23,672,537	26,721,274	95,830,075	53,297,511
	22,843,754	22,521,717	23,672,537	27,140,039	96,336,580	53,812,650
Total	**22,843,754**	**22,521,717**	**23,672,537**	**271,648,566**	**138,217,374**	**69,873,958**

Balance With Current Accounts includes CC A/c having Debit Balance of Rs 8,02,56,796/- as on 31.03.2018

10 Financial Assets: Loans

Particulars	Non - current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured, considered good						
Loans to employees	-	295,300	311,000	2,048,555	389,362	355,745
Total	**-**	**295,300**	**311,000**	**2,048,555**	**389,362**	**355,745**

11 Financial Assets: Others

Particulars	Non - current As at 31.03.2018	Non - current As at 31.03.2017	Non - current As at 01.04.2016	Current As at 31.03.2018	Current As at 31.03.2017	Current As at 01.04.2016
Unsecured, considered good						
Interest accrued but not due	-	-	-	1,666,726	6,412,538	6,610,323
Unamortized premium on Forward contract	-	-	-	-	2,192,235	-
Insurance Claim Receivable	-	-	-	-	4,779,104	-
Mark to Market Balance against outstanding forward contract				275,000		4,546,735
Total	**-**	**-**	**-**	**1,941,726**	**13,383,877**	**11,157,058**

12 Current Tax Assets (Net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance Payment of Tax / TDS / TCS (Net)	103,248,055	100,064,937	99,990,105
Total	**103,248,055**	**100,064,937**	**99,990,105**

13 Other Assets

Particulars	Non - current As at 31.03.2018	Non - current As at 31.03.2017	Non - current As at 01.04.2016	Current As at 31.03.2018	Current As at 31.03.2017	Current As at 01.04.2016
(I) Capital Advances						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	5,962,125	39,667,127	12,645,017	263,002,448	5,542,916	6,207,955
(II) Security Deposits						
Secured, considered good						
Unsecured, considered good						
(A) (i) Sales Tax (Under Litigation)	7,769,480	3,578,480	1,687,202	-	-	-
(ii) Municipal Corporation (Under Litigation)	514,250	515,450	514,250	-	-	-
(iii) Central Excise & Custom (Under Litigation)	4,936,355	3,966,355	3,500,000	-	-	-
(iv) Electricity Board (Under Litigation)	2,791,448	-	-	-	-	-
(B) Others - I) Tender	11,531,676	16,263,424	19,220,024	-	-	-
II) Electricity	30,368,931	30,824,248	27,098,316	-	-	-
III) Others	35,662,260	25,455,247	26,253,751	-	-	-
Less: Provision for doubtful deposits	(2,319,150)	(2,319,150)	(2,319,150)	-	-	-
(III) Earnest Money Deposit - Lien Fixed Deposit						
- Others	15,361,059	8,521,742	3,329,742	-	-	-
	-	-	-	-	-	-
(IV) Deposit/ Credit with Government Authorities						
Custom, Excise & Service Tax , GST	-	-	-	155,332,391	145,962,301	98,662,823
Sales tax	-	-	-	6,973,594	24,542,432	1,807,336
(V) Advances to Suppliers	-	-	-	63,715,119	43,834,275	169,182,842
Less: Provision for doubtful advances	-	-	-	(7,062,668)	(7,062,668)	(7,062,668)
(VI) Employees	-	-	-	1,150,855	1,467,192	2,004,484
Less: Provision for doubtful advances	-	-	-	(266,653)	(266,653)	(266,653)
(VII) Others						
Others	3,073,529	1,488,049	31,000	24,582,886	21,899,352	14,811,376
(VIII)Deferred Expense						
Security Deposit	3,74,713	5,62,069	7,49,423	-	-	-
Total	**116,026,676**	**128,523,041**	**92,709,575**	**507,427,972**	**235,919,147**	**285,347,495**

14 Equity Share Capital

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised			
25,00,000 (31 March 2017 : 25,00,000; 1 April 2016: 25,00,000)Equity Shares of Rs 10/-each.	25,000,000	25,000,000	25,000,000

Issued			
14,43,000 (31 March 2017 : 14,43,000; 1 April 2016: 14,43,000) Equity Shares of Rs 10/-each.	14,430,000	14,430,000	14,430,000
Subscribed & Fully Paid up			
14,42,885 (31 March 2017 : 14,42,885; 1 April 2016: 14,42,885) Equity Shares of Rs 10/-each.	14,428,850	14,428,850	14,428,850
Total	**14,428,850**	**14,428,850**	**14,428,850**

(a) **Reconciliation of shares outstanding at the beginning and at end of the year:**

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Particulars	**No of Shares**	**Amount**	**No of Shares**	**Amount**	**No of Shares**	**Amount**
Opening Balance	1,442,885	14,428,850	1,442,885	14,428,850	1,442,885	14,428,850
Add:- Addition during the Year	-	-	-	-	-	-
Less:- Deletion during the Year	-	-	-	-	-	-
Closing Balance	**1,442,885**	**14,428,850**	**1,442,885**	**14,428,850**	**1,442,885**	**14,428,850**

(b) **Terms/rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shares in respect of each class in the company held by its holding company rights ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate : NIL

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has not Issued equity share capital including shares allotted for consideration other than cash during the last five years.

Dividend of Rs 1/- share (Previous Year Rs 1/-) proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

(c) **Details of Shareholders holding more than 5% equity shares in the company**

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Name of Shareholder	**No. of Equity Shares**	**Percentage Holding**	**No. of Equity Shares**	**Percentage Holding**	**No. of Equity Shares**	**Percentage Holding**
Hindusthan Consultancy & Services Ltd.	708,825	49.12%	708,825	49.12%	708,825	49.12%
Carbo Industrial Holdings Ltd	132,820	9.21%	132,820	9.21%	132,820	9.21%
Promain Ltd	117,900	8.17%	117,900	8.17%	117,900	8.17%

15 **Financial Liabilities: Borrowings**

	Particulars	**Non - current**			**Current**		
		As at 31.03.2018	**As at 31.03.2017**	**As at 01.04.2016**	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**
	Secured Loans from Banks:						
a)	- *Term Loan (Rupee Loan)*	1,305,594,705	554,419,715	562,094,402	-	-	-
	Less:- Current Maturities	(102,119,086)	(93,919,000)	(108,814,362)	-	-	-
		1,203,475,619	**460,500,715**	**453,280,040**	-	-	-
b)	- Term Loan (FCLR Loan)	69,062,555	93,128,000	-	-	-	-
	Less:- Current Maturities	(19,284,000)	(20,789,000)	-	-	-	-
		49,778,555	**72,339,000**	-	-	-	-
c)	- *Vehicle Loan (Rupee Loan)*	5,307,506	9,826,421	13,911,059	-	-	-
	Less:- Current Maturities	(4,867,170)	(4,518,915)	(4,084,638)	-	-	-
		440,336	**5,307,506**	**9,826,421**	-	-	-
	Loans						
	From banks	-	-	-	-	-	-
	From Related parties (Unsecured)	**706,879,792**	**710,537,164**	**635,787,164**	-	-	-
		706,879,792	710,537,164	635,787,164	-	-	-
d)	*Working Capital Facilities from Banks-Secured (Repayable on Demand)*						
	Foreign Currency Loan						

PCFC Loan	-	-	-	39,106,500	-	20,399,961
Buyer's Credit Loan	-	-	-	-	195,727,926	208,857,765
	-	-	-	**39,106,500**	**195,727,926**	**229,257,726**
Rupee loan						
Cash Credit	-	-	-	502,234,972	522,646,252	773,925,898
Working Capital Demand Loan	-	-	-	-	75,000,000	-
	-	**-**	**-**	**502,234,972**	**597,646,252**	**773,925,898**
Total	**1,960,574,302**	**1,248,684,385**	**1,098,893,625**	**541,341,472**	**793,374,178**	**1,003,183,624**

a) Term Loan (Rupee Loan)

(i) Type of Loan : 10.85% p.a.Term Loans from Canara Bank, New Delhi of Rs.12,39,00,000/- & Rs. 11,95,92,500/- Nature of Security: Secured by first charge on Assets created out of 4 nos. of Wind Turbine Generator (WTGs) at Akel site, Distt. Jaiselmer (Rajasthan) & Ratan Ka Bas, Distt. Jodhpur (Rajasthan) and land at WTG site.
Terms of Repayment :The loan is repayable in 108 & 96 monthly instalments starting from 01.08.2010 and 01.02.2011 respectively.

(ii) Type of Loan : 10.85% p.a.Term Loan Canara bank, New Delhi of Rs.12,95,00,000/- taken for Guwahati project at Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati,Assam.
Nature of Security: Secured by first charge on Land, Building and Plant & machinery created out of the loan. Terms of Repayment : The loan is repayable in 16 half yearly instalments starting from 01.08.2012.

(iii) Type of Loan : 10.85% p.a.Term loan Canara bank, New Delhi of Rs. 45,00,00,000/- is sanctioned on 14.08.2015 by Canara bank, New Delhi for our Khurda Projects at 11.20% p.a. against which Rs. 40,64,34,112/- availed.
Nature of Security: The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-chmpajhara, Distt- Khurda, Bhubaneswer.
Terms of Repayment : The said loan is repayable in 32 quarterly structured instalments starting from quarter ending December' 2015 and ending on quarter ending September'2023.

(iv) Type of Loan : Term Loan sanctioned for Chemical Division by State Bank of Bikaner & Jaipur (now merged with State Bank of India) @ 10.60% p.a. Rs.50,00,00,000/- (Disbursed amount of Rs.34,06,00,000/- (Previous Year Rs.4,93,00,000/-)), State Bank of Hyderabad (now merged with State Bank of India) @ 10.60 % p.a. Rs.25,00,00,000/- (Disbursed amount of Rs.16,53,00,000/- (Previous Year Rs.2,47,00,000/-)), by Andhra Bank @ 11.00% p.a. Rs. 32,80,00,000/- (Disbursed amount of Rs.14,73,00,000/- (Previous Year Rs.94,00,000/-)) and by Corporation Bank @ 11.20% p.a. Rs.65,00,00,000/- (Disbursed amount of Rs.29,39,00,000/- (Previous Year Rs.2,57,00,000/-)) Nature of Security : The loan is secured by first pari-pasu charge by way of mortgage of all the immovable properties and assets including project land (including leasehold right), first paripasu charge by way of hypothecation on all of tangible movable fixed assets both present & future, interest, title, benefits, claims and demands in the material project documents, project clearances, letter of credit, guarantees, liquidated damages, performance bond and under insurance contracts, first paripasu charge by over all bank account & profit after tax of the company & second pari-pasu charge on the entire current assets of the company and Corporate Guarantee of holding company namely, Hindusthan Urban Infrastructure Ltd. Terms of Repayment : The said loan is repayable in 32 equal quarterly instalments commencing from December 2019.

b) Type of Loan : 15.05% p.a. Indian rupee term loan from State Bank of India. During the year, the company has converted indian rupee term loan of Rs 6,72,40,000 (USD 10000/-) in to foreign currency term loan for one year with interest rate 6.186% p.a. Nature of Security : Secured by Ist Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.
Terms of Repayment: The loan is repayable in 18 quarterly instalment of Rs 60.93 Lakhs starting from Sep'2016.

c) Type of Loan : 10.14% p.a. Vehicle loan from ICICI Bank of Rs. 2,09,30,000/- .
Terms of Repayment: The said loan is repayable in 59 equal monthly instalments starting from 10.06.2014.

d) Working Capial Facilities for Banks :

(i) Type of Loan: Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is Rs 3,91,06,500/- (31.03.2017 - Rs. 36,99,76,115/- & 01.04.2016 - Rs.54,41,43,498/-).
Nature of Security : Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Village-champajhara,Distt-Khurda, Bhubaneswar &12/1,Milestone, Delhi Mathura Road, Faridabad.,Industrial Area, Birla Nagar, Gwalior & Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati,Assam and equitable mortgage of land and building at 12/1,Milestone, Delhi Mathura Road, Faridabad and Industrial Area, Birla Nagar, Gwalior.

(ii) Type of Loan: Working capital facilities from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is Rs 49,37,72,448 (31.03.2017 - Rs. 42,33,98,062/- & 01.04.2016 - Rs. 45,90,40,126/-)
Nature of Security: Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj,Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj,Distt-Raisen, M.P.

(iii) Type of Loan: Working Capital Facilities from Andhra Bank for Chemical Divison against which drawing is Rs 84,62,524/- (31.03.2017 - Nil & 01.04.2016 - Nil).
Nature of Security : Secured against hypothecation of first charge on stocks, book debts and second charge on plant & machinery and Land & building.
Interest rate varies from 1% p.a. to 6% p.a. per annum on foreign currency denominated working capital facilities and it varies from 8% p.a. to 13% p.a. on rupee denominated working capital facilities.

16 Financial Liabilities: Trade payables (including Acceptances)*

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Due to Micro and Small Enterprises	- 6,595,788	8,800,075	14,715,180
Due to others	- 1,595,393,290	1,260,547,867	1,379,753,111
Total	**1,601,989,078**	**1,269,347,942**	**1,394,468,291**

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

17 Other financial liabilities excluding provisions

	Non - current			Current		
Particulars	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**
Current Maturities of Long term Debt (Refer note 15)						
10.85% p.a. Term Loan from a Bank - Rupee Loan	-	-	-	97,031,086	90,336,000	90,535,362
10.14% p.a. ICICI Bank Term Loan - Car Loan	-	-	-	4,867,170	4,518,915	4,084,638
15.05 %Bank-SBI Term Loan -INR	-	-	-	5,088,000	3,583,000	18,279,000
6.186 %Bank-SBI Term Loan -FCNR	-	-	-	19,284,000	20,789,000	-
Interest accrued but not due on borrowings	-	-	-	-	8,682,853	12,130,018
Unclaimed dividend	-	-	-	418,765	506,505	515,139
Other Payables	-	-	-	-	-	-
Creditors For Capital Goods	-	-	-	44,353,788	3,049,156	27,157,613
Amount payable against outstanding forward contract	-	-	-	(102,231)	2,236,453	-
Mark to Market Balance against outstanding forward contract	-	-	-	-	6,939,720	-
Total	**-**	**-**	**-**	**170,940,578**	**140,641,602**	**152,701,770**

18 Provisions

	Non - current			Current		
Particulars	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**
Provision for employee benefits	53,430,589	52,685,789	48,851,370	50,274,397	53,069,583	43,834,130
Others	-	-	-	-	-	-
Provision for Excise duty on closing stock	-	-	-	-	13,444,834	28,710,215
Provision for Income Tax	-	-	-	-	-	10,60,153
Contract Loss provision	123,658	-	-	-	6,076,000	259,195
Total	**53,554,247**	**52,685,789**	**48,851,370**	**50,274,397**	**72,590,417**	**73,863,693**

19 Deferred tax liabilities (net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred tax liabilities on:			
- Fixed assets U/s-32	722,232,272	741,290,379	678,286,324
	722,232,272	741,290,379	678,286,324
Deferred tax assets on:			
- Bonus, gratuity & leave salary U/s-43B	21,489,199	24,032,261	26,272,505
- Provision for doubtful debts U/s-36(1)(vii)	39,253,642	39,253,642	39,253,642
- Business loss / Un Absorbed Depreciation U/s-72	125,503,958	106,064,775	1,726,700
- Other Temporary Differences	76,729,223	74,711,223	76,526,475
	262,976,022	244,061,901	143,779,322
Net deferred tax Liabilities	**459,256,250**	**497,228,478**	**534,507,002**

20 Other Liabilities

	Non - current			Current		
Particulars	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**	**As at 31.03.2018**	**As at 31.03.2017**	**As at 01.04.2016**
Advances from customers	-	-	-	35,780,543	38,804,931	21,203,716
Other Payable to related party (HEIL)	-	-	-	928,960	928,960	19,966,101
Interest Payable to related party (DJC)	-	-	-	230,132,124	187,542,793	145,104,135
Interest Accrued and due	-	-	-	-	7,743,608	-
Deferred Sales Tax Liability	469,786	19,037,141	-	10,000,000	-	-
Interest on Sales tax Liability	-	-	-	12,827,678	12,827,678	12,827,678
Deferred Government Grants	8,653,284	10,116,385	11,579,486	1,463,101	1,463,101	1,463,101
Statutory Liabilities						
- Income Tax (TDS)	-	-	-	13,515,990	11,749,665	12,353,789

- Excise duty / GST	-	-	-	27,209,342	51,576,471	41,094,809
- Sales Tax	-	-	-	-	11,036,397	11,366,960
- Others	-	-	-	54,528,470	25,737,390	4,288,807
Other Deposits : Trade/Service deposits	3,425,746	-	-	13,952,496	14,870,083	100,614
Total	**12,548,816**	**29,153,526**	**11,579,486**	**400,338,704**	**364,281,077**	**269,769,710**

21 Revenue from operations

Particulars	**Year ended 31.03.2018**	**Year ended 31.03.2017**
Sale of products (including excise duty upto 30th June 17 & excluding GST)*		
(I) Conductors & Cables	4,802,217,379	4,925,518,592
(II) Power Generation Sales	33,062,816	35,708,794
(III) Insulators	2,151,330,902	2,205,709,781
(IV) Epoxy Resin & Allied Products	131,856,820	132,088,317
	7,118,467,917	**7,299,025,484**
Other operating revenue		
(I) Scrap Sales	43,194,423	26,951,158
(II) Export Incentives	4,371,492	8,502,867
(III) Sales Tax/Excise/GST Benefit	20,721,074	57,116,014
(IV) Installation Charges	-	1,395,000
(V) Exchange Difference on Borrowing Cost	-	6,831,836
	68,286,989	**100,796,875**
Revenue from Operations (Gross)	**7,186,754,906**	**7,399,822,359**

* Sale of products includes excise duty collected from customers of Rs 1944.68 Lacs (March 31,2017 : Rs 7197.88 Lacs)

22 Other income

Particulars	**Year ended 31.03.2018**	**Year ended 31.03.2017**
From FDR's	4,582,275	6,955,652
From Customers	3,109,799	10,330,159
From Others	1,894,690	2,074,465
(B) DIVIDEND INCOME	826,727	-
(C) NET GAIN ON INVESTMENT		
Gain on Sale Of Investment measured at FVTPL	24,530,661	6,826,590
Gain arising On Investment measured at FVTPL (Mark to Market Gain)	18,305,357	48,918,008
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	10,784,362	865,742
Claims Received (Net)	461,799	197,408
Profit on Sale of Fixed Assets	0	3,665,541
Liabilities No Longer Required & Sundry Credit Balance Written Back	8,023,550	11,955,697
Rental Income	8,479,117	-
Entry Tax Refund	10,962,890	-
On Exchange difference to the extent considered as an adjustment to borrowing cost	275,000	-
Other (Ind AS Adjustment)	1,85,666	1,68,786
Total	**92,421,893**	**91,958,048**
Total Revenue	**7,279,176,799**	**7,491,780,407**

23 Cost of Materials Consumed

Particulars	**Year ended 31.03.2018**	**Year ended 31.03.2017**
A) Raw Material	**4,730,487,980**	**4,379,848,176**
B) Purchase of Stock-In-Trade	**42,611,298**	**64,732,446**

24 Changes in inventories of finished goods, stock-in-trade & work-in-progress

Particulars	**Year ended 31.03.2018**	**Year ended 31.03.2017**
Inventories at the beginning of the year		
Finished Goods	123,768,588	269,219,989
Work-In-Progress	390,917,591	276,056,840
Scrap	8,390,301	13,501,425
	523,076,480	**558,778,254**
Inventories at the end of the year		
Finished Goods	144,906,024	123,768,588
Work-In-Progress	395,038,722	390,917,591
Scrap	17,717,936	8,390,301
	557,662,682	**523,076,480**
Total	**(34,586,202)**	**35,701,774**

25 Employee benefits expense

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries & wages	303,558,632	291,047,696
Contribution to provident & other funds	17,663,069	11,589,632
Staff & Workmen welfare expenses	4,330,912	5,185,263
Total	**325,552,613**	**307,822,591**

26 Finance costs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(I) INTEREST		
On Term Loan	56,187,117	71,279,798
On Working Capital Borrowings	225,500,784	204,028,650
On Exchange difference to the extent considered as as adjustment to borrowing cost	507,389	1,939,000
On Others	49,441,874	47,432,276
	331,637,164	**324,679,724**
(2) OTHER BORROWING COST		
Bank Charges	45,428,589	45,621,492
Total	**377,065,753**	**370,301,216**

27 Depreciation and amortization expense

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Depreciation of property, plant & equipment	162,147,693	157,634,040
Amortization of intangible assets	6,718,685	3,941,089
Total	**168,866,378**	**161,575,129**

28 Other expenses

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
MANUFACTURING EXPENSES		
(i) Stores & Spares	231,436,237	189,210,632
(ii) Packing & Forwarding Expenses (Net)	243,483,900	296,558,424
(iii) Power & Fuel	577,469,850	521,222,608
(iv) Repairs to Building	15,806,021	16,943,414
(v) Repairs to Machinery	39,330,480	34,666,456
(vi) Jobs on Contract	318,686,125	304,042,607
(vii) Increase/(Decrease) in Excise Duty & Cess on Inventories	(12,776,254)	(15,265,380)
	-	-
SELLING AND ADMINISTRATION	-	-
(i) Rent	7,167,324	9,609,040
(ii) Insurance	6,014,473	6,688,794
(iii) Rates & Taxes	3,717,306	2,477,092
(iv) Repairs - Others	9,756,665	7,952,289
(v) Directors Meeting Fees	730,300	909,500
(vi) Payment to Auditors	533,050	522,470
(vii) Charity & Donation	70,000	39,200
(viii) Brokerage & Commission	6,979,128	6,537,986
(ix) Bad Debts Written off	6,460,434	5,655,704
(x) Miscellaneous Expenses	85,133,434	85,836,834
	-	-
Total	**1,539,998,473**	**1,473,774,460**

29 Other Comprehensive Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	2,595,307	(3,489,148)
	2,595,307	**(3,489,148)**
Items that will be reclassified to profit or loss		
	-	-
Total	**2,595,307**	**(3,489,148)**

30 Exceptional items

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit on Sale of Fixed Assets	23,102,470	-
Total	**23,102,470**	**-**

31 Contingent Liabilities & Commitments

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
(1) Contingent liabilities (to the extent not provided for)			
(A) Guarantee			
(a) The Parent Company has given following corporate guarantee on behalf of group companies under salex tax, excise, custom etc.:			
Hindusthan Engineering Industries Ltd (group company), under sales tax, excise, custom etc	60,723,570	60,723,570	60,723,570
(b) Outstanding guarantees furnished by banks on behalf of the company	1,792,742,185	1,883,174,812	1,673,849,433
(c) Outstanding letters of credit furnished by banks on behalf of the company	1,381,821,873	954,443,188	1,735,081,419
(B) Claims against Company, disputed by the Company, not acknowledged as debt:			
(a) Income Tax demand under appeal *	6,036,025	6,036,025	5,548,639
(b) Excise Duty show cause notices/demands under appeal	61,522,595	59,300,784	44,012,304
(c) Claims against the Company for Sales/Purchase Tax/VAT	50,924,389	38,932,647	24,368,968
(d) Claims against the Company for Labour Cases/MCF & Other under litigation	24,382,183	24,162,183	16,996,000
* Apart from these liabilities, the Parent company has received demand of Rs. 6,69,27,117/- from Income Tax department related to assessment year 13-14 & 14-15 however the credit of advance Income tax of Rs. 4,66,00,000/- has not been adjusted against liability at the time of assessment but the same is reflecting in records of Income tax department (As per statement of 26AS). Balance demand is due to interest charged on the above. The company has filed rectification application for the said demand.			
(2) Commitments as at year end: (to the extent not provided for)			
(A) Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	774,315,499	428,450,115	9,966,189
(B) Other Commitments:			
(i) Surety Bond given to Custom & Excise/JDGFT	31,500,000	68,093,250	247,578,450
(ii) Sales order to be executed against Government and Private Contracts	7,579,939,247	4,208,790,000	4,022,300,480
(iii) Liability in respect of sales bills discounted with banks/NBFC's	464,902,047	175,784,639	22,412,908

32 Disclosure requirement under MSMED Act, 2006

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
The Group has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). There are no micro and small enterprises, to whom the group owes dues, which are outstanding for more than 45 days as at 31 March 2018 . The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Group.The disclosures pursuant to the said MSMED Act are as follows:			
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6,595,788	8,800,075	14,715,180
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

33 **Employee Benefits**

As per Ind-AS 19 on "Employee Benefits", the disclosures of Employee Benefits are given below:

a) Defined Contribution Scheme

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
Contribution to Defined Contribution Plan, recognized for the year are as under:			
Employer's Contribution to Provident Fund	6,716,805	6,884,644	7,305,844
Employer's Contribution to Pension Fund	5,313,989	5,313,553	5,683,164
Employer's-ESI Contribution	3,890,285	3,092,265	3,334,006
Labour Welfare Fund	-	-	24,600
Total	**15,921,079**	**15,290,462**	**16,347,614**

b) Defined Benefit Scheme

Disclosure as required by Ind AS 19 on Employee Benefits in respect of gratuity and leave encashment are as follows:

Particulars	Leave Encashment (Non-Funded)			Gratuity (Non-Funded)		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Net expenses recognised during the year 2017-18						
Current Service Cost	1,853,153	1,778,884	1,576,748	3,345,433	3,138,006	2,968,592
Interest Cost	648,435	680,942	824,208	4,257,042	4,231,999	5,415,248
Expected return on plan assets	-	-	-	-	-	-
Actuarial Losses / (Gains)	(1,050,236)	(828,690)	(1,054,517)	(2,827,007)	3,489,148	761,832
Past Service Cost	-	-	237,039	1,786,446	-	125,237
Net benefit expenses	**1,451,352**	**1,631,136**	**1,583,478**	**6,561,914**	**10,859,153**	**9,270,909**
Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2018						
Present Value of Defined Benefit Obligation	8,539,398	9,010,109	8,875,661	58,476,597	59,056,128	54,557,674
Fair Value of plan assets	-	-	-	-	-	-
Net Liabilities recognised in Balance Sheet	**(8,539,398)**	**(9,010,109)**	**(8,875,661)**	**(58,476,597)**	**(59,056,128)**	**(54,557,674)**
Change in the Present value of obligation over the year ended 31st March, 2018						
Present Value of Defined Benefit Obligation as on 1st April, 2017	9,010,109	8,863,852	10,690,403	59,056,128	54,550,203	69,628,044
Interest Cost	648,435	680,942	824,198	4,257,042	4,231,999	5,415,248
Past Service Cost	-	-	237,039	1,786,446	-	125,237
Current Service Cost	1,853,153	1,778,884	1,349,038	3,345,433	3,138,006	2,968,592
Benefits Paid	(1,922,063)	(1,484,879)	(3,149,223)	(7,373,145)	(6,353,228)	(24,341,279)
Actuarial (Gain) / loss on obligation	(1,050,236)	(828,690)	(1,075,794)	(2,595,307)	3,489,148	761,832
Present Value of Defined Benefit Obligation as on 31st March, 2018	**8,539,398**	**9,010,109**	**8,875,661**	**58,476,597**	**59,056,128**	**54,557,674**
Change in Fair value of Plan Assets						
Fair Value of plan assets as on 01.04.2017						
Actual return on plan assets	-	-	-	-	-	-
Contribution	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Fair Value of plan assets as on 31.03.2018	**-**	**-**	**-**	**-**	**-**	**-**

Other Comprehensive Income	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
Actuarial (gains) / losses	**2017-18**	**2016-17**	**2017-18**	**2016-17**
change in demographic assumptions	-	-	-	-
change in financial assumptions	326,816	282,580	(255,163)	2,108,638
experience variance (i.e. Actual experience vs assumptions)	(1,377,052)	(1,033,664)	(2,340,144)	1,461,068
others	-	(77,606)		(80,558)
Return on plan assets, excluding amount recognised in net interest expense	-		-	0
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-		-	0
Components of defined benefit costs recognised in other comprehensive income	**(1,050,236)**	**(828,690)**	**(2,595,307)**	**3,489,148**

Major Actuarial Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Segment	Leave Encashment (Non-Funded)			Gratuity (Non-Funded)		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Financial Assumptions							
Discount Rate	Conductor	7.71%	7.50%	7.75 %	7.71%	7.50%	7.75 %
(based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities)	Insulators	7.60%	7.10%	8.00%	7.60%	7.10%	8.00%
	Chemical	7.71%	8.00%	7.75 %	7.71%	8.00%	7.75 %
Salary increase	Conductor	5.00%	3.00 %	3.00 %	5.00%	3.00 %	3.00 %
(based on account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis)	Insulators	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
	Chemical	5.00%	3.00 %	3.00 %	5.00%	3.00 %	3.00 %
Demographic Assumptions							
Mortality Rate (% of IALM 2006-08)	Conductor	100.00%	100.00%		100.00%	100.00%	
(inclusive of provision for disability)	Insulators	100.00%	100.00%		100.00%	100.00%	
	Chemical	100.00%	100.00%		100.00%	100.00%	
Withdrawal rates, based on age: (per annum)							
Up to 30 years	Conductor	3.00%	3.00%		3.00%	3.00%	
	Insulators	0.50%	0.50%		0.50%	0.50%	
	Chemical	3.00%	3.00%		3.00%	3.00%	
31 - 44 years	Conductor	2.00%	2.00%		2.00%	2.00%	
	Insulators	0.20%	0.20%		0.20%	0.20%	
	Chemical	2.00%	2.00%		2.00%	2.00%	
Above 44 years	Conductor	1.00%	1.00%		1.00%	1.00%	
	Insulators	0.10%	0.10%		0.10%	0.10%	
	Chemical	1.00%	1.00%		1.00%	1.00%	

Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
Impact of the change in discount rate	**2017-18**	**2017-18**
Present Value of Obligation at the end of the period	8,539,398	58,476,597
Impact due to increase of 0.50 %/1.00%	(434,749)	(2,298,937)
Impact due to decrease of 0.50 %/1.00%	498,390	2,510,793
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	8,539,398	58,476,597
Impact due to increase of 0.50 %/1.00%	507,462	2,552,336
Impact due to decrease of 0.50 %/1.00%	151,334	(2,374,362)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The defined benefit obligations shall mature after the end of reporting period is as follows:	**Leave Encashment (Non-Funded) 2017-18**	**Gratuity (Non-Funded) 2017-18**
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	1,811,232	11,942,214
1 to 6 years	2,964,168	21,753,951
More than 6 years	3,763,998	24,780,432

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B) Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
D) Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
E) Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

34 Related Party Disclosures

A. List of Related Parties and relatives with whom transactions have taken place

Enterprise which have significant influence over the group

Hindusthan Consultancy & Services Ltd.

Director(s)/ Key Managerial Personnel :

Mr Raghavendra Anant Mody, Chairman & WholeTime Director (w.e.f. 03.10.17)
Mr Shyam Sunder Bhuwania, Vice Chairman & Managing Director
Mr Vivek Dayaram Kohli, Whole time Director (upto 31.03.2018)
Mr Anil Kumar Chandani, Chief Financial Officer (upto 04.08.2017)
Mr Deepak Kejriwal, Chief Financial Officer (w.e.f. 31.08.2017)
Mr Murari Lal Birmiwala, Senior Vice President Finance & Company Secretary
Mr Parag Dadeech, Chief Executive Officer at Hindusthan Speciality Chemicals Ltd
Mr Deepak Kumar Ajmera, Chief Financial Officer at Hindusthan Speciality Chemicals Ltd
Mr Neeraj Jain, Company Secretary at Hindusthan Speciality Chemicals Ltd.

Relatives of Director(s)/Key Managerial Personnel :

Mrs Sanchita Mody
Mrs Nirmala Bhuwania
Mr Krishan Kumar Birmiwala
Mrs Shilpi Birmiwala
Mrs Madhu Garg
Mrs Sumita Kejriwal
Mr Behari Lal Kejriwal

Others

Hindusthan Vidyut Products Ltd Employees Provident Fund Trust

B. Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business.

i) With parties other than Directors / Key Managerial personnel

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sale of capital goods		
Hindusthan Engineering & Industries Ltd.	557,372	-
Mody Education Foundation	134,400	20,000
Purchase of Misc Items		
Hindusthan Engineering & Industries Ltd.	410,375	-
Rent paid /payable		
Promain Limited	2,462,250	2,245,074
Mrs Nirmala Bhuwania	270,000	1,080,000
Mr Krishan Kumar Birmiwala	59,400	237,600
Mrs Shilpi Birmiwala	44,820	179,280
Mrs Madhu Garg	31,500	126,000
Mrs Sumita Kejriwal	146,100	584,400
Mr Behari Lal Kejriwal	45,000	180,000
Hindusthan Engineering & Industries Ltd	13,620	12,000
Professional Fee paid/payable		
Mr Raghavendra Anant Mody (From 01.09.2017 to 30.09.2017)	250,000	400,000
Dividend Paid :		
Hindusthan Consultancy & Services Ltd.	708,825	708,825
Reimbursement of Expenses Received /Receivable		
Hindusthan Engineering & Industries Ltd.	-	871,742
Reimbursement of Expenses Paid /Payable		
Hindusthan Engineering & Industries Ltd.	-	11,288
Provident Fund Deposit (Paid/Payable)		
Hindusthan Vidyut Products Ltd Employees Provident Fund Trust	12,725,217	11,933,913
Interest Paid / Payable		
Hindusthan Engineering & Industries Ltd	47,321,479	47,154,064
Hindusthan Consultancy & Services Ltd.	1,808,219	-
Loan - Received		
Hindusthan Engineering & Industries Ltd	-	74,750,000
Hindusthan Consultancy & Services Ltd.	150,000,000	-
Loan - Repaid		
Hindusthan Engineering & Industries Ltd	3,657,372	
Hindusthan Consultancy & Services Ltd.	150,000,000	-
CSR Contribution		
Mody Education Foundation	-	300,000

ii) With Directors/Key Managerial Personnel

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Remuneration to Key Managerial Personnel:		
Mr Raghavendra Anant Mody (w.e.f. 03.10.2017)	36,02,650	1,749,979
Mr Shyam Sunder Bhuwania	102,400,86	12,000,000
Mr Vivek Dayaram Kohli (w.e.f. 01.04.2016)	111,99,726	10,628,281
Mr Anil Kumar Chandani (upto 04.08.2017)	42,70,650	11,500,000
Mr Deepak Kejriwal	42,52,813	-
Mr Murari Lal Birmiwala	34,24,730	3,607,155
Mr Parag Dadeech	12,132,222	5,425,319
Mr Deepak Kumar Ajmera	3,084,356	2,808,970
Mr Neeraj Jain	833,999	697,907
Sitting Fees :		
Mr Rajendra Prasad Mody	10,100	77,600
Mr Vikram Aditya Mody	10,100	11,450
Mr Raghavendra Anant Mody	15,000	21,550
Mr Shyam Sunder Bhuwania	51,500	71,150
Mr Vivek Dayaram Kohli	20,000	33,050
Dividend Paid :		
Mr Rajendra Prasad Mody	200	200
Mr Shyam Sunder Bhuwania	70	70
Mr Vivek Dayaram Kohli	1	-
Mr Deepak Kejriwal	5	-
Mr Murari Lal Birmiwala	2	-
Mrs Nirmala Bhuwania	2,050	2,050
Salary paid to relative of Director(s)/ Key Managerial Personnel:		
Mrs Sanchita Mody	46,07,671	4,996,240

Particulars	As at March 31,2018	As at March 31,2017	As at April 1, 2016
Outstanding - Receivable			
Mody Education Foundation	-	20,000	50,000
Hindusthan Engineering & Industries Ltd	871,742	871,742	-
Outstanding - Other Payable			
Hindusthan Engineering & Industries Ltd	928,960	928,960	928,960
Outstanding - Loan taken (including interest)			
Hindusthan Engineering & Industries Ltd	937,011,916	898,079,957	781,820,259
Guarantees and collaterals by the Group			
Hindusthan Engineering & Industries Ltd	60,723,570	60,723,570	60,723,570

35 Segment Reporting

I) Based on the guiding principles given in Ind AS-108 "Operating Segment", The Vice-Chairman and Managing Director of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group's primary business segments are organised around customers on industry and products lines as under:

a. Conductor: Conductor includes electrical conductor and related items.
b. Insulator: Insulator includes electrical insulator and related items.
c. Other: This segment is engaged in power generation, investment activities & chemicals.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.
No operating segments have been aggregated to form the above reportable operating segments.
Revenue, expenses, assets and liabilities which relate to Group and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.
Finance costs are not allocated to individual segments as the underlying instruments are managed on a Group basis
Current taxes and deferred taxes are not allocated to those segments as they are also managed on a Group basis

II) In respect of secondary segment information, the Group has identified its geographical segments as:
a. With in India, and
b. Outside India.

A Primary Segment

Segment information for the year ended 31st March, 2018

Particulars	Conductor	Insulators	Other	Un Allocated	Total
Revenue from Operations (Gross)	**4,840,749,518**	**2,180,797,451**	**165,207,937**	**-**	**7,186,754,906**
	(5,004,799,190)	(2,227,156,206)	(167,866,963)	-	(7,399,822,359)
Results					
Segment result	**134,407,123**	**177,592,588**	**(13,718,564)**	**-**	**298,281,147**
	(150,545,447)	(169,449,315)	(8,503,112)	-	(328,497,874)
Interest Income				**14,107,675**	**14,107,675**
				(20,393,475)	(20,393,475)
Finance cost				**377,676,753**	**377,676,753**
				(370,654,347)	(370,654,347)
Profit /(Loss) before taxation & exceptional items					**(65,287,931)**
					21,762,998
Exceptional Items	**(23,102,470)**	**-**	**-**	**-**	**(23,102,470)**
	-	-	(-)	(-)	-
Net Profit/ (Loss) before tax					**(42,185,461)**
					21,762,998

Other Information	As at	Conductor	Insulators	Other	Un Allocated	Total
Segment assets	**Mar 31, 2018**	4,839,748,881	2,207,796,169	2,203,561,626		9,251,106,676
	Mar 31, 2017	(4,994,597,109)	(2,067,634,095)	(1,401,695,571)		**(8,463,926,775)**
Segment liabilities	**Mar 31, 2018**	1,511,664,955	2,201,927,823	1,077,968,816	459,256,250	5,250,817,844
	Mar 31, 2017	(1,725,816,156)	(2,044,659,097)	(200,283,663)	(497,228,478)	4,467,987,394)
Capital Employed	**Mar 31, 2018**	**3,328,083,926**	**5,868,346**	**1,125,592,810**	**(459,256,250)**	**4,000,288,832**
	Mar 31, 2017	(3,268,780,953)	(22,974,999)	(1,201,411,907)	497,228,478	(3,995,939,381)
Capital expenditure	**Mar 31, 2018**	**10,217,892**	**88,581,314**	**676,520,560**		**775,319,766**
	Mar 31, 2017	(65,449,220)	(41,873,065)	(117,560,648)		(224,882,933)
Depreciation	**Mar 31, 2018**	**88,326,474**	**61,836,487**	**18,703,417**		**168,866,378**
	Mar 31, 2017	(83,322,471)	(59,698,299)	(18,554,359)		(161,575,129)

Figures in brackets represents previous year(s).

B Secondary segment (geographical segment):

For the year ended 31st March,2018

Particulars	March 31, 2018	March 31, 2017
a) Revenue from operations by geographical location of customers (Gross)		
Within India	7,007,000,012	6,837,940,173
Outside India	179,754,894	561,882,186
Total	**7,186,754,906**	**7,399,822,359**
b) Carrying amount of segment assets		
Within India	9,159,759,567	8,377,631,226
Outside India	91,347,109	86,295,549
Total	**9,251,106,676**	**8,463,926,775**
c) Capital expenditure		
Within India	775,319,766	224,882,933
Outside India	-	-
Total	775,319,766	224,882,933

1) The Group has disclosed business segments as the primary segments.
2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.
3) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

36 Tax Expense

(a) Tax charge/(credit) recognised in profit or loss

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Current Tax :		
Current tax for the Year	-	-
Add: For earlier years Short/ (Excess) Provision	-	505,444
Less: MAT Credit entitlement	-	-
Total Current Tax	**-**	**505,444**
Deferred Tax :		
Fixed Assets/Depreciation	(19,058,107)	59,175,529
Provision for Gratuity / Leave Encashment	4,590,894	3,988,875
Un Absorbed Depreciation/ Brought forward Losses	(19,439,183)	(104,338,075)
Others	(2,018,000)	(1,134,375)
Total Deferred Tax	**(35,924,396)**	**(42,308,046)**

(b) Tax on Other Comprehensive Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Deferred Tax :		
(Gain)/Loss on remasurement of defined benefit plans	(867,579)	1,200,996
Total Deferred Tax	**(867,579)**	**1,200,996**

(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit before tax	(42,185,461)	(21,762,997)
Tax using the domestic tax rate	-	-
Tax effect of :		
Non-deductible tax expenses	(35,924,396)	(42,308,046)
Deductible tax expenses	-	505,444
Total tax expenses in the statement of profit and loss	**(35,924,396)**	**(41,802,602)**

(d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2017	As at April 1, 2016	Charge/(Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2017
Property, Plant & Equipment	425,813,251	-	-	-	425,813,251
Depreciation	252,473,073	59,175,529	-	3,828,526	315,477,128
Provision for Gratuity & Leave Encashment	(26,272,505)	3,988,875	(1,748,631)	-	(24,032,261)
Provision for Doubtful Debts	(39,253,642)	-	-	-	(39,253,642)
Un-absorbed Depreciation/ Brought forward Losses	(1,726,700)	(104,338,075)	-	-	(106,064,775)
Other temporary differences	(76,526,475)	(1,134,375)	2,949,627	-	(74,711,223)
Total	**534,507,002**	**(42,308,046)**	**1,200,996**	**3,828,526**	**497,228,478**

Movement during the year ended 31st March, 2018	As at April 1, 2017	Charge/(Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2018
Property, Plant & Equipment	425,813,251	-	-	-	425,813,251
Depreciation	315,477,128	(19,058,107)	-	-	296,419,021
Provision for Gratuity & Leave Encashment	(24,032,261)	4,590,894	(867,579)	(1,180,253)	(21,489,199)
Provision for Doubtful Debts	(39,253,642)	-	-	-	(39,253,642)
Un-absorbed Depreciation/ Brought forward Losses	(106,064,775)	(19,439,183)	-	-	(125,503,958)
Other temporary differences	(74,711,223)	(2,018,000)	-	-	(76,729,223)
Total	**497,228,478**	**(35,924,396)**	**(867,579)**	**(1,180,253)**	**459,256,250**

37 Earnings Per Share

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit/ (Loss) after Tax and exceptional items	(6,261,065)	20,039,604
Basic/weighted average number of equity shares outstanding during the year	1,442,885	1,442,885
Nominal value of Equity Share	10	10
Basic/Diluted EPS		
On Profit after Tax and exceptional items	**(4.34)**	**13.89**

38 Pre-operative expenditure which has been capitalised and that carried forward under capital work in progress is as under :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Finance costs	49,022,612	15,854,737	15,344,891
Other Expenses	56,723,628	69,794,975	127,204,315
	105,746,240	**85,649,712**	**142,549,206**
Add : Brought forward from Previous year	190,715,506	112,413,384	286,783,720
	296,461,746	**198,063,096**	**429,332,926**
Less : Capitalised as part of			
Plant & Machinery	-	5,382,045	157,683,645
Buildings	-	-	94,223,784
Others	-	172,612	285,464
Trf to Investment (Site development-Bangalore)	-	1,792,933	64,726,649
Carried forward under Capital work in progress	**296,461,746**	**190,715,506**	**112,413,384**

39 Other Disclosures to Statement of Profit and Loss:

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(a)	**NET GAIN/(LOSS) ON FOREIGN EXCHANGE**		
	SUNDRY DEBTORS		
	For Export	11,586,874	2,808,843
	SUNDRY CREDITORS		
	For Import	(1,506,815)	2,051,216
	For Foreign Currency Loan	(619,984)	(107,883)
	For Machinery	-	-
	Others	(11,957)	-
		9448118	**4752176**
(b)	**PAYMENT TO AUDITORS (including branch auditor)**		
	- Audit fees	368,400	368,250
	- Out of Pocket Expenses	31,650	20,220
	- Tax Audit	62,500	55,000
	- For Certification	70,500	79,000
		533050	**522470**
	Audit fees for the year ending March 31,2017 includes amount of Rs 20,050/- paid to erstwhile auditors.		
(c)	**AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED**		
	Sundry Debtors Credit Balance Written off	-	9,621,145
	Sundry Credit Balance Written off	5,865,031	870,888
	Carriage Inwards/ Outward	698,743	-
	Jobs on Contract	250,811	-
	Vat/Duty	335,968	35,871
	Stores, Spares & Packing material	67,745	113,001
	Liquidated Damages	-	259,195
	Provision for Bonus and Others etc.	805,252	1,055,597
		8,023,550	**11,955,697**
(d)	**VALUE OF IMPORTS CALCULATED ON C.I.F BASIS**		
	Raw Material	177,490,795	331,032,375
	Components & Spare Parts	6,122,404	1,255,313
	Capital Goods	-	-
		183,613,199	**332,287,688**

(e) EXPENDITURE IN FOREIGN CURRENCY

Interest / Bank Charges	885,495	9,447,154
Commission	699,258	4,521,916
Others	3,090,041	2,747,328
Product Development Expenses	-	13,009,596
	4,674,794	**29,725,994**

(f) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH % IMPORTED

Raw Materials	122,835,603	2.60%	299,534,081	6.84%
Stores and Spare Parts	4,319,754	1.87%	2,552,370	1.35%
INDIGENOUS				
Raw Materials	4,607,652,377	97.40%	4,080,314,095	93.16%
Stores and Spare Parts	227,116,483	98.13%	186,658,262	98.65%
	4,961,924,217		**4,569,058,808**	

(g) EARNINGS IN FOREIGN EXCHANGE

Exports (F.O.B.)	172,606,505	433,784,568
Freight & Insurance on Export	3,723,875	1,963,686
Earning by Sale under Global Tender in India	-	-
Domestic sales in foreign currency	-	84,230,715
	176,330,380	**519,978,969**

40. Financial Instruments : Fair Value Measurement

Financial Assets & Liabilities	Note	Level of hierarchy	31 March 2018			31 March 2017			1 April 2016		
			FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets											
Investments in quoted equity instruments	(c)	**Level 1**	46,131,995			234,187,587			237,532,078		
Investments in unquoted equity instruments	(b)				-			-			-
Investments in Mutual Funds	(c)	**Level 1**	30,928,706			-			21,500,000		
Trade receivables	(a)				2,076,540,591			2,216,205,576			2,447,368,006
Loans	(a,b)				2,048,555			684,662			666,745
Cash and cash equivalents	(a)				244,508,527			41,880,794			16,061,308
Other bank balances	(a,b)				49,983,793			118,858,297			77,485,187
Derivative financial assets	(d)	**Level 2**	275,000			2,192,235			4,546,735		
Other financial assets	(a)				1,666,726			11,191,642			6,610,323
Total financial assets			**77,335,701**	**-**	**2,374,748,192**	**236,379,822**	**-**	**2,388,820,971**	**263,578,813**	**-**	**2,548,191,569**
Financial liabilities											
Non-current borrowings (inluding other current maturities)	(b)				2,086,844,558			1,367,911,300			1,211,792,625
Current borrowings	(a)				541,341,472			793,374,178			1,003,183,624
Trade payables	(a)				1,601,989,078			1,269,347,942			1,394,468,291
Derivative financial liabilities	(d)	**Level 2**	(102,231)			9,176,173			-		
Other financial liabilities	(a)				44,772,553			12,238,514			39,802,770
Total financial liabilities			**(102,231)**	**-**	**4,274,947,661**	**9,176,173**	**-**	**3,442,871,934**	**-**	**-**	**3,649,247,310**

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(c) The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.

(d) Derivatives are carried at fair value at each reporting date. The fair values of the dervatives financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(e) There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2018 and 31 March 2017.

41. Financial Risk management

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see(i);
- liquidity risk (see(ii); and
- market risk (see(iii).

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables and other financial assets

The Group has established a credit policy under which new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are avaiable, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annualy. Any sales exceeding those limits require approval from the approprate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether thay are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

Expected credit loss for Trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts avaiable in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is 3050.34 Lacs (31 March 2017: 2999.25 Lacs ; 1 April 2016: 1341.37 Lacs).

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2018	31 March 2017
Balance at the beginning of the year	113,419,459	113,419,459
Add: Provided during the year (net of reversal)	-	-
Less: Amount written off/ translation adjustment	-	-
Balance at the end of the year	**113,419,459**	**113,419,459**

Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receiables, management belives these to be high quality assets with negligble credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on standalone Balance Sheet.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as fas as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury deoarment. Longer term liquidity position is reviewed on a regular basis by the Parrent Group's Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

		Contractual cash flows		
As at 31 March 2018	**Carrying amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	2,628,186,029	2,628,186,029	667,611,728	1,960,574,302
Trade payables	1,601,989,078	1,601,989,078	1,601,989,078	-
Other financial liabilities	**44,670,322**	**44,670,322**	**44,670,322**	

		Contractual cash flows		
As at 31 March 2017	**Carrying amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	2,161,285,478	2,161,285,478	912,601,093	1,248,684,385
Trade payables	1,269,347,942	1,269,347,942	1,269,347,942	-
Other financial liabilities	21,414,687	21,414,687	21,414,687	

As at 1 April 2016	Carrying amount	Contractual cash flows Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	2,214,976,249	2,214,976,249	1,116,082,624	1,098,893,625
Trade payables	1,394,468,291	1,394,468,291	1,394,468,291	
Other financial liabilities	39,802,770	39,802,770	39,802,770	

(1) Carrying amount presented as net of unamortised transaction cost.

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of the Group companies are primarrily the INR, USD and EUR. The currencies in which these transactions are primarily denominated are USD and INR.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	31 March 2018		31 March 2017			1 April 2016		
	USD	GBP	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	2,336							
Trade receivable	569,163	326,153	1,485,716	1,423,326		1,811,982	1,402,544	
Loans								
Other financial assets								
Trade payables	(291,080)		(154,966)					
borrowings	(689,775)	(139,450)	(1,692,010)	(21,000)	(130,625)	(2,640,891)		(153,958)
Other financial liabilities			(191,616)					
Net exposure	**(409,354)**	**186,703**	**(552,876)**	**1,402,326**	**(130,625)**	**(828,909)**	**1,402,544**	**(153,958)**

Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD or INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss (before tax) Strengthening	Weakening
31 March 2018		
USD (1% movement)	(4,093.55)	4,093.55
EUR (1% movement)	1,867.03	(1,867.03)
GBP (1% movement)	-	-
31 March 2017		
USD (1% movement)	(5,528.76)	5,528.76
EUR (1% movement)	14,023.26	(14,023.26)
GBP (1% movement)	(1,306.25)	1,306.25

Interest rate risk

Interest rate risk is the risk that the fair value of futire cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaing an appropriate mix metween fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:
The following table provides a break-up of the Group's fixed and floating rate borrowings:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed-rate borrowings	5,307,506	9,826,421	13,911,059
Floating rate borrowings	2,622,878,523	2,151,459,057	2,201,065,190
Total borrowings (gross of transaction costs)	**2,628,186,029**	**2,161,285,478**	**2,214,976,249**

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability oustanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basIs points higher/ lower and all other variables were held constant, the Group's profit for the year ended 31 March 2018 would decrease / increase by 65.57 lacs (31 March 2017: 53.79 lacs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

42. Capital Management

Risk management

The Group's objectives when managing capital are to:

- safeguardng their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the standalone Balance sheet, inluding non-controlling interest).

The gearing ratios were as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net debt	2,302,765,003	2,000,546,386	2,099,929,754
Total equity	4,000,288,832	3,995,939,381	3,990,780,707
Net debt to equity ratio	**0.58**	**0.50**	**0.53**

Dividends

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Equity Shares	1,442,885	1,442,885
Final dividend for the year ended 31 March 2017 of 1/- per fully paid equity share (31 March 2016 of 1/- per fully paid up equity share)	1,442,885	1,442,885
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 1/- per fully paid equity share (31 March 2017: 1/- per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,442,885	1,442,885
	1.00	**1.00**

43 First time adoption of IND AS

The Group has adopted IND AS notified by Ministry of Corporate Affairs for the year ended 31/03/2018. For the purpose of transition to IND AS, the group has followed the IND AS – 101 " First Time Adoption of IND AS " from 01/04/2016 as the transition date.

Exemptions availed and mandatory exceptions

Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A) Ind AS optional exemptions

A.1 Fair valuation as deemed cost for certain items of Property, plant and equipment : Ind AS 101 permits an entity to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. **Accordingly, the Group has elected to use the fair value of certain items of property, plant and equipment on the date of transition and designate the same as deemed cost on the date of transition. Fair value has been determined, by obtaining an external third party valuation,with reference to the depreciated replacement cost of similar assets, a level 3 valuation technique. For the remaining assets, the Group has applied Ind AS retrospectively, from the date of their acquisition.**

A.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its equity investment.

B) Ind AS mandatory exceptions

B.1 Accounting estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: -Investment in equity instruments carried at FVOCI; -Investment in debt instruments and compound instruments carried at FVTPL/FVOCI; -Impairment of financial assets based on expected credit loss model

B.2 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be reated retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 1, 2016, are reflected as hedges in the Group's results under Ind AS. The Group had designated various hedging relationships as fair value hedges under the previous GAAP. On the date of transition to Ind AS, the Group has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Group continues to apply hedge accounting on and after the date of transition to Ind AS.

B.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de- recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B.4 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable

The transition to IND AS has resulted in changes in the presentation of the financial statements disclosure in the notes to accounts & accounting policies. The transition from previous GAAP to IND AS has affected the financials.

Reconciliation below shows the effect of transition to IND AS From previous GAAP in accordance with IND As 101:-

1 **Reconciliation of Other Equity as at 31st March 2017 & 1st April 2016**

Particulars	**Footnotes**	**March 31,2017**	**April 1, 2016**
Other equity as per previous GAAP		2,663,889,638	2,687,688,815
Adjustments :			
Revaluation gain on property, plant & equipment	9	1,932,411,097	1,932,411,097
Dividend (including DDT) on payment basis	3	1,736,622	1,736,622
Effect of Fair value of quoted investments	1	38,858,637	(6,633,756)
Provision for doubtful debts & advances	11	(123,067,930)	(123,067,930)
Provision for old & obsolete inventories	12	(196,800,000)	(196,800,000)
Others	5,10	(19,767,391)	(8,280,943)
Discounting of Security Deposit for Leases	13	(52,485)	(33,914)
Tax effects related to above	2	(315,697,656)	(310,668,134)
Other equity as per Ind AS		**3,981,510,532**	**3,976,351,857**

2 **Reconciliation of Profit & Loss for the year ended March 31, 2017**

Particulars	**Footnotes**	**March 31,2017**
Profit after tax reported in previous Indian GAAP		(22,062,551)
Adjustment:-		
Actuarial (gain)/loss of gratuity to other comprehensive income	4	3,569,706
Fair value of investment, classified as fair value through profit & loss	1	45,492,393
Others	5	(6,939,720)
Discounting of Security Deposit for Leases	13	(20,224)
Profit after tax as per Ind-AS		20,039,604
Other Comprehensive Income		
Actuarial gain/(loss) of gratuity		(3,489,148)
Income Tax related to above		(1,200,996)
Total Comprehensive income as per Ind-AS		**15,349,460**

3 Reconciliation of Balance sheet as at 31st March 2017

	Particulars	Footnotes	Regrouped Previous GAAP	Ind AS adjusments	Ind AS
	ASSETS				
(1)	Non - current assets				
	(a) Property, plant and equipment	**9**	2,297,433,063	1,943,990,583	4,241,423,646
	(b) Capital work - in - progress		387,762,737		387,762,737
	(c) Investment Property		114,511,470		114,511,470
	(d) Other intangible assets		30,530,568		30,530,568
	(e) Financial assets		-		
	(i) Investment	**1**	195,328,950	38,858,637	234,187,587
	(ii) Bank balances		22,521,717		22,521,717
	(iii) Loans		295,300		295,300
	(f) Other non - current assets	**11, 13**	130,894,675	(2,371,634)	128,523,041
			3,179,278,480	**1,980,477,586**	**5,159,756,066**
(2)	Current assets				
	(a) Inventories	**12**	796,790,436	(196,800,000)	599,990,436
	(b) Financial assets		-		
	(i) Investment		-		
	(ii) Trade receivables	**11**	2,329,625,035	(113,419,459)	2,216,205,576
	(iii) Cash and cash equivalents		41,880,794		41,880,794
	(iv) Bank balances other than (ii) above		96,336,580		96,336,580
	(v) Loans		389,362		389,362
	(vi) Other Financial Assets		13,383,877	-	13,383,877
	(c) Current Tax Assets (Net)		100,064,937		100,064,937
	(d) Other current assets	**11**	243,248,468	(7,329,321)	235,919,147
			3,621,719,489	**(317,548,780)**	**3,304,170,709**
	TOTAL ASSETS		**6,800,997,969**	**1,662,928,806**	**8,463,926,775**
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital		14,428,850		14,428,850
	(b) Other equity	6	2,663,889,638	1,317,620,893	3,981,510,531
			2,678,318,488	**1,317,620,893**	**3,995,939,381**
	LIABILITIES				
(1)	Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		1,248,684,385		1,248,684,385
	(b) Provisions		52,685,789		52,685,789
	(c) Deferred tax liabilities (net)	2	181,530,822	315,697,656	497,228,478
	(d) Other Non-current liabilities	9	19,037,146	10,116,380	29,153,526
			1,501,938,142	**325,814,036**	**1,827,752,178**
(2)	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		793,374,178		793,374,178
	(ii) Trade payables		1,269,347,942		1,269,347,942
	(iii) Other financial liabilities	5	133,701,882	6,939,720	140,641,602
	(b) Other current liabilities	9,10	349,990,298	14,290,779	364,281,077
	(c) Provisions	3	74,327,039	(1,736,622)	72,590,417
			2,620,741,339	**19,493,877**	**2,640,235,216**
	Total Equity & Liabilities		**6,800,997,969**	**1,662,928,806**	**8,463,926,775**

4 Reconciliation of Balance sheet as at 1st April 2016

	Particulars	Footnotes	Regrouped Previous GAAP	Ind AS adjusments	Ind AS
	ASSETS				
(1)	Non - current assets				
	(a) Property, plant and equipment	**9**	2,379,646,656	1,945,453,684	4,325,100,340
	(b) Capital work - in - progress		275,948,324		275,948,324
	(c) Investment Property		112,718,537		112,718,537
	(d) Other intangible assets		3,251,879		3,251,879
	(e) Financial assets		-		
	(i) Investment	**1**	244,165,834	(6,633,756)	237,532,078
	(ii) Bank balances		23,672,537		23,672,537
	(iii) Loans		311,000		311,000
	(f) Other non - current assets	**11, 13**	95,062,639	(2,353,064)	92,709,575
			3,134,777,406	**1,936,466,864**	**5,071,244,270**
(2)	Current assets				
	(a) Inventories	**12**	768,562,641	(196,800,000)	571,762,641
	(b) Financial assets		-		
	(i) Investment		21,500,000		21,500,000
	(ii) Trade receivables	**11**	2,560,787,465	(113,419,459)	2,447,368,006
	(iii) Cash and cash equivalents		16,061,308		16,061,308
	(iv) Bank balances other than (ii) above		53,812,650		53,812,650
	(v) Loans		355,745		355,745
	(vi) Other Financial Assets	**5**	6,610,323	4,546,735	11,157,058
	(c) Current Tax Assets (Net)		99,990,105		99,990,105
	(d) Other current assets	**11**	292,676,816	(7,329,321)	285,347,495
			3,820,357,053	**(313,002,045)**	**3,507,355,008**
	TOTAL ASSETS		**6,955,134,459**	**1,623,464,819**	**8,578,599,278**
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital		14,428,850		14,428,850
	(b) Other equity	**6**	2,687,688,815	1,288,663,042	3,976,351,857
			2,702,117,665	1,288,663,042	3,990,780,707
	LIABILITIES				
(1)	Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		1,098,893,625		1,098,893,625
	(b) Provisions		48,851,370		48,851,370
	(c) Deferred tax liabilities (net)	**2**	223,838,868	310,668,134	534,507,002
	(d) Other Non-current liabilities	**9**	-	11,579,486	11,579,486
			1,371,583,863	322,247,620	1,693,831,483
(2)	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		1,003,183,624		1,003,183,624
	(ii) Trade payables		1,394,468,291		1,394,468,291
	(iii) Other financial liabilities		152,701,770		152,701,770
	(b) Other current liabilities	**9,10**	255,478,931	14,290,779	269,769,710
	(c) Provisions	**3**	75,600,315	(1,736,622)	73,863,693
			2,881,432,931	12,554,157	2,893,987,088
	Total Equity & Liabilities		**6,955,134,459**	**1,623,464,819**	**8,578,599,278**

5 Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Footnotes	Regrouped Previous GAAP	Ind AS adjusments	Ind AS
I	Revenue from operations (gross)	**9**	7,398,359,258	1,463,101	7,399,822,359
II	Other income	**1, 5, 13**	51,297,588	40,660,460	91,958,048
III	**Total Income (I + II)**		**7,449,656,846**	**42,123,561**	**7,491,780,407**
IV	**Expenses**				
	Cost of materials consumed		4,379,848,176	-	4,379,848,176
	Purchases of stock-in-trade		64,732,446	-	64,732,446
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		35,701,774	-	35,701,774
	Excise Duty on Sales		719,787,612	-	719,787,612
	Employee benefits expense	**4**	311,392,297	(3,569,706)	307,822,591
	Finance Cost	**5**	368,362,216	1,939,000	370,301,216
	Depreciation and amortisation expense	**9**	160,112,028	1,463,101	161,575,129
	Other expenses	**13**	1,473,585,450	189,010	1,473,774,460
	Total Expenses		**7,513,521,999**	**21,405**	**7,513,543,404**
V	**Profit /(Loss) before exceptional items and tax (III - IV)**		**(63,865,153)**	**42,102,156**	**(21,762,997)**
VI	Exceptional items		-	-	-
VII	**Profit / (Loss) before tax**		**(63,865,153)**	**42,102,156**	**(21,762,997)**
VIII	**Tax expense:**				
	(1) Current Tax		-	-	-
	(2) Deferred tax		(42,308,046)	-	(42,308,046)
	(3) Tax adjustment related to earlier years		**505,444**	**-**	**505,444**
			(41,802,602)	**-**	**(41,802,602)**
IX	**Profit / (loss) for the year (VII-VIII)**		**(22,062,551)**	**42,102,156**	**20,039,605**
X	**Other comprehensive income**				
	A - (i) Items that will not be reclassified to profit or loss			(3,489,148)	(3,489,148)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			(1,200,996)	(1,200,996)
	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		-	-	-
			-	**(4,690,144)**	**(4,690,144)**
XI	**Total comprehensive income for the year (IX + X)**		**(22,062,551)**	**37,412,012**	**15,349,461**

6 Reconciliation of cash flows for the year ended March 31,2017

The transition from estwhile Indian GAAP to Ind AS has not made any material impact on the statement of cash flows.

Notes to Reconciliation :

Note 1: Fair Valuation of Investments

Under the previous GAAP, investments in equity instruments and other instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes with respect to investments in equity instruments have been recognised in FVTPL as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2017. This increased total equity by 388.58 lacs as at 31 March 2017 (1 April 2016: (-)66.34 lacs) and profit and loss for the year ended 31 March 2017 by 454.92 Lacs

Note 2: Deferred Taxes

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Rs. 3156.98 Lacs (1 April 2016: Rs. 3106.68 Lacs)

Note 3: Proposed Dividend
Under the previous GAAP, dividends proposed by the board of directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 17.37 Lacs as at 31 March 2017 (1 April 2016: 17.37 Lacs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 4: Re-measurements of post employement benefit obligations
Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31 , 2017 increased by Rs. 35.70 Lacs There is no impact on the total equity as at 31 March 2017

Note 5: Mark to Market Gain/(Loss) on Derivative contracts
Recognition of mark-to-market gain of Rs (69.40) lacs & Rs 45.47 lacs as at 31 March 2017 & 1 April 2016 respectively on forward contracts which was not permitted under previous GAAP

Note 6: Retained Earnings
Retained earnings as at March 31,2017 has been increased by Rs 13176.21 lacs (April 1, 2016 : Rs 12886.63 lacs) consequent to the above Ind AS transition adjustments.

Note 7: Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit andlJoss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP

Note 8: Excise duty
Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs. 7197.88 Lacs. There is no impact on the total equity and profit

Note 9: Fair Valuation as deemed cost for certain items of Property, Plant and Equipment and Government Subsidy
Ind AS 101 permits an entity to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. Accordingly, the Group has elected to use the fair value of certain items of property, plant and equipment on the date of transition and designate the same as deemed cost on the date of transition. Fair value has been determined, by obtaining an external third party valuation,with reference to the depreciated replacement cost of similar assets, a level 3 valuation technique. This change has resulted in as increase in equity amounting to Rs 19324.11 lacs as on 31st March 17 (1 April 16: Rs 19324.11 lacs)

Government Subsidy received on purchase of plant and equipments in respect of manufactuing unit located in specified regions has been recognised as government grant by an increase in the carrying value of plant and equipment with a corresponding credit to the deferred government grant. The increase in the value of plant and equipment is depreciated over the balance useful life of the asset. The deferred grant revenue is released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Under Previous GAAP such benefits were being netted off with the cost of the respective item of plant and equipment. This has resulted in net increase in the value of plant and equipment by Rs 115.80 lacs and Rs 130.43 lacs as at March 31, 2017 and April 01, 2016 respectively. There is no resultant impact on equity.

Note 10: Liability for Interest on Sales Tax Liability
Liability for Interest on Sales Tax amounting Rs 128.28 lacs provided in books as at 31 March 2017 (Rs 128.28 lacs - 1 April 2016). This has resulted in decrease in equity by the same amount.

Note 11: Provision for Doubful Debts and Advances
Provision for doubful debts & advances has been made in books on transition to Ind-AS. This has resulted in decrease in equity by Rs 1230.68 lacs as at March 31,2017 (April 1 2016 : Rs 1230.68 lacs)

Note 12: Provision for Old & Obsolete Inventories
Provision in respect of excess, slow-moving, damaged, or obsolete inventories has been made in books on transition to Ind-AS. This has resulted in decrease in equity by Rs 1968 lacs as at March 31,2017 (April 1 2016: Rs 1968 lacs)

Note 13: Discounting of Security Deposit for Leases
Under Previous GAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as ‘Deferred lease rent’ which has been amortised over respective lease term as rent expense under ‘other expenses’. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under ‘other income’. This has resulted in increase in Other expenses by Rs 1.89 lacs & increase in Other income by Rs 1.69 Lacs during the year ended 31st March 2017. This change has resulted in decrease in equity by Rs 0.34 lacs & Rs 0.52 lacs as at April 01, 2016 and March 31,2017 respectively.

44 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.

45 The financials statements has been approved by the Board on 3rd May, 2018.

46 Financial Information of Subsidiary Company

Additional Information as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as Subsidiary Company.

	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total compehensive income	
Name of entity	**As % of consolidated net assets**	**Amount**	**As % of consolidated profit or loss**	**Amount**	**As % of consolidated other comprehensive income**	**Amount**	**As % of consolidated total comprehensive income**	**Amount**
Parent								
Hindusthan Urban Infrastructure Limited *	81.50%	3,260,064,179	-245.65%	15,380,539	102.48%	3,548,905	-676.49%	18,929,444
Subsidiaries								
1. Hindusthan Speciality Chemicals Limited	18.49%	739,800,748	345.21%	(21,613,656)	-2.48%	(86,019)	775.49%	(21,699,675)
2. Hindusthan Vidyut Products Limited	0.00%	23,604	0.18%	(11,292)	-	-	0.40%	(11,292)
3. Hindusthan Projects Ltd	0.01%	400,301	0.27%	(16,656)	-	-	0.60%	(16,656)
Minority Interest in all subsidiaries	NIL	N/A	NIL	N/A	NIL	N/A	NIL	N/A

* Inter unit transaction profit elimination done for Rs 39,09,742/- between holding and subsidiary companies.

For and on behalf of the Board of directors of Hindusthan Urban Infrastructure Ltd

As per our report of even date
For K. N. Gutgutia & Company
Chartered Accountants
FRN: 304153E

Vivek Dayaram Kohli
(DIN : 06898043)
Director

S.S.Bhuwania
(DIN No.00107171)
Vice Chairman and Managing Director

(B R Goyal)
Partner
M.No.12172

Deepak Kejriwal
Chief Financial Officer

M.L.Birmiwala
Sr. V.P. Finance &
Company Secretary

Place: New Delhi
Date: 3rd May 2018

Form AOC-I

Statement containing sailent features of the Financial Statement of Subsidiaries/Associate companies/Joint ventures:
(Persuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules,2014)

Part "A" : Subsidiaries

Sl No.	**1**	**2**	**3**
Name of subsidiary	**Hindusthan Speciality Chemicals Limited**	**Hindusthan Vidyut Products Limited**	**Hindusthan Projects Limited**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A	N/A	N/A
Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A	N/A	N/A
Share Capital	785,913,820	2,794,000	500,000
Reserves & Surplus	(46,113,072)	(2,770,396)	(99,699)
Total Assets	1,788,254,963	32,454	406,201
Total Liabilities	1,788,254,963	32,454	406,201
Investment	-	-	-
Turnover	132,145,122	-	-
Profit before taxation	(28,170,855)	(11,292)	(16,656)
Provision for taxation	(6,557,199)	-	-
Profit after taxation	(21,613,656)	(11,292)	(16,656)
Proposed Dividend	-	-	-
% of Shareholding	100%	100%	100%