

HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

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CIN : L31300DL1959PLC003141 E-mail : investors@thehindusthangroup.co.in Website : www.thehindusthangroup.co.in

F: 385: HUIL: MLB

3rd September, 2019

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
Security Code: 539984

Sub: Annual Report for the Financial Year 2018-19.

Dear Sir/Madam,

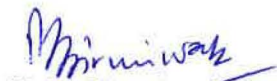
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, please find enclosed the Annual Report for the financial year 2018-19 which is being dispatched / sent to the members of the company by permitted mode(s).

The Annual Report for the financial year 2018-19 is also uploaded on the Company's website at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=8>

This is for your information and records.

Thanking you,

For Hindusthan Urban Infrastructure Limited



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

✓
Enclosure: a/a



ANNUAL REPORT 2018-2019



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. Deepak Kejriwal	Whole-time Director & CFO
Mr. Sadhu Ram Bansal	Independent Director
Mr. Mool Chand Gauba	Independent Director
Ms. Suman Lata Saraswat	Independent Director

KEY MANAGERIAL PERSONNEL (KMP)

Mr. M.L. Birmiwala	Sr. V.P-Finance & Secretary
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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)
Gwalior	(Madhya Pradesh)
Mandideep	(Madhya Pradesh)

LISTING OF EQUITY SHARES

BSE Limited

REGISTRAR & SHARE TRANSFER AGENT

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

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BOARDS' REPORT

To

The Shareholders,

Your Directors are pleased to present their Fifty-Ninth Annual Report of the company for the year ended 31.03.2019.

Financial Results

The company's financial performance for the year ended 31.03.2019 is summarized below:

Particulars	Standalone Results		Consolidated Results	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Total Revenue (Gross)	69,906.54	70,546.10	70,789.51	71,867.55
Less: Excise Duty on sale of Goods	-	1,924.13	-	1,944.68
Total Revenue (Net of Excise duty)	69,906.54	68,621.97	70,789.51	69,922.87
Operating Profit Before Depreciation, Finance Cost,	5,558.77	5,033.91	5,252.31	4,806.44
Exceptional Items and Tax				
Less: Depreciation and Amortisation expenses	1,495.59	1,608.26	1,633.95	1,688.66
Less: Finance Costs	3,222.38	3,757.44	3,298.83	3,770.66
Profit/(Loss) before exceptional items and tax	840.80	(331.79)	319.53	(652.88)
Exceptional Items	(91.63)	231.02	(120.60)	231.02
Profit/(Loss) before Tax	749.17	(100.77)	198.93	(421.86)
Less: Tax expenses	526.60	(293.67)	583.12	(359.24)
Net Profit/(Loss) for the year	222.57	192.90	(384.19)	(62.62)
Surplus brought forward from previous year	835.06	659.53	298.73	378.72
Dividend on Equity paid	(14.43)	(14.43)	(14.43)	(14.43)
Tax on Dividend	(2.94)	(2.94)	(2.94)	(2.94)
IndAS adjustments on Deferred Tax & Others	(500.13)	-	(471.45)	-
Balance available for appropriation	540.13	835.06	(574.29)	298.73

State of Affairs & Operations

During the year under review, the gross revenue of the company has decreased slightly to ₹ 71,485.18 Lakhs as compared to ₹ 71,498.71 Lakhs in the 2017-18. However, the profit before depreciation has increased from ₹ 1,507.49 Lakhs to ₹ 2,244.76 Lakhs.

The availability of our prime raw material for conductor division i.e. aluminum remained satisfactory. The prices of aluminium declined at the LME from USD 2246 in April, 2018 to USD 1872 in March, 2019.

There has been slow down in the issue of new tenders during the year which are likely to pick up in next financial years. The Company has comfortable order book position for Insulator division but there is paucity of orders for conductors. However, efforts are being made to secure more orders for conductors also.

The Insulator division has shown improved results inspite of declined turnover due to better realization of its products and efforts made in reduction of input cost.

The availability of power was comfortable at all Works.

During the year, the Company had successfully executed export /deemed export orders worth ₹ 8306.71 Lakhs as compared to ₹ 1726.06 Lakhs during previous year.

The operation at Gwalior Plant of the Company which was discontinued during January, 2018 has been commenced from April, 2019.

BOARDS' REPORT (Contd.)

Consolidated Financials

In the financial year 2018-19, income from operations was ₹ 72,321.68 Lakhs, as compared to ₹ 72,791.77 Lakhs in previous year 2017-18. The profit before depreciation has increased from ₹ 1,266.81 Lakhs to ₹ 1,832.28 Lakhs.

During the year under review, the gross revenue of the subsidiary company Hindusthan Speciality Chemicals Limited has decreased to ₹ 882.97 Lakhs as compared to ₹ 1,321.45 Lakhs in financial year 2017-18. The loss after tax has increased from ₹ 216.14 Lakhs to ₹ 559.95 Lakhs.

Transfer to reserves

The Company do not propose to transfer any amount to general reserve for the financial year ended 31.03.2019.

Dividend

In order to conserve the resources, your Directors do not recommend payment of any dividend for the year ended 31st March, 2019.

Subsidiary Companies

The Company has one material subsidiary company i.e Hindusthan Speciality Chemicals Limited.

Hindusthan Speciality Chemicals Limited completed the establishment of the State of the Art Green-Field manufacturing facility of "Epoxy Resin and Allied products" at Jhagadia Distt, Bharuch, Gujarat. Quality of all the products have been well accepted in the market. The production at plant has been stabilized and bulk orders from established primary users are being received. The pilot plant at Talaja discontinued its manufacturing activities and all machinery and other equipment have been shifted to Jhagadia plant for utilising therein.

The Company is manufacturing various grades of Epoxy Resins and selling the same in HSCL's brand name. The company has been marketing imported epoxy products by repackaging it in its own brand name with formulations manufactured at Talaja which has created brand recognition in the market. Further, your company has also registered brand name of "Bond One" for the Adhesive range of products. These adhesives products are being used across multi-purpose applications. Our Distribution network has also been expanded through establishment of large number of channel-partners over different regions of the country. We have also entered into a "Technology Transfer Agreement" with leading global player for the specialty formulations catering to the Electrical and Electronic applications, this will help us to augment our presence in this sector.

During the year 2019-20, the company is targeting substantial increase in sales of liquid epoxy resin, Formulations & Adhesives as the production has been stabilized on all its production lines.

During the year, Hindusthan Vidyut Products Limited ceased to be wholly owned subsidiary of the Company, as it did not commence the commercial operations. Accordingly, application has been filed for striking off name of the Company from the Register of Companies maintained by the said Registrar of Companies.

During the year, your company has disposed off the investment in its wholly owned subsidiary company Hindusthan Projects Limited as it did not commence the commercial operations.

A statement containing the salient features of financial statements of subsidiary Company in the prescribed Form AOC – 1 forms a part of Consolidated Financial Statements (CFS) in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 is attached in the notes to the Consolidated Financial Statements.

The said Form also highlights the financial performance of the subsidiary included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

In accordance with Section 136 of the Act, the financial statements of the subsidiary are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at www.hindusthanurban.com.

The Policy for determining material subsidiaries is available on the website of the company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>

BOARDS' REPORT (Contd.)

Cash Flow and Consolidated Financial Statement

As required under the regulation 34 of the Listing Regulations, a cash flow statement is part of the Annual Report 2018-2019. Further, the Consolidated Financial Statements of the Company for the financial year 2018-2019 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by Listing Regulations. The said Financial Statements have been prepared on the basis of the audited financial statements of the Company, its subsidiaries as approved by their respective Boards of Directors.

Management Discussion and Analysis Report

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios and developments in business operations / performance of the Company's business.

Corporate Governance

The report on Corporate Governance as stipulated under regulation 34 of 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.

Change in nature of Business, if any

There is no change in the nature of business of the company during the year.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Act, 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. Ramawatar Joshi and Mr. Ratan Lal Nangalia, Independent Directors, resigned from the office of the directors and other committee positions with effect from 30.07.2018 and 05.10.2018 respectively. The Board places on record their sincere appreciation for their guidance and expert advices during their tenure.

On the recommendation of the Nomination and Remuneration Committee, Mr. Sadhu Ram Bansal (DIN: 06471984) was appointed as an additional director with effect from 13.08.2018. The Members at their Fifty-eighth Annual General Meeting has appointed Mr. Sadhu Ram Bansal as an Independent Non- Executive Director to hold office for three consecutive years upto 12.08.2021.

Mr. Vivek Dayaram Kohli, Non-Executive Director resigned from the office of the Director with effect from 30.10.2018. The Board places on record its sincere appreciation for his contribution as Board Member.

During the year, on the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Deepak Kejriwal as additional Director cum Whole-time Director of the Company with effect from 01.12.2018 for a term of three years subject to the approval of the shareholders. The shareholders subsequently approved his appointment as Whole-time Director by way of postal ballot on 29.03.2019 with requisite majority.

On the recommendation of the Nomination and Remuneration Committee, the Board re-appointed Mr. Shyam Sunder Bhuwania as Managing Director designated as Vice Chairman & Managing Director, who has also attained the age of 75 years, for a term of three years subject to the approval of the shareholders. The shareholders subsequently approved the appointment of Mr. Shyam Sunder Bhuwania as Vice Chairman and Managing Director by way of postal ballot on

BOARDS' REPORT (Contd.)

29.03.2019 with requisite majority.

During the year, on the recommendation of the Nomination and Remuneration Committee, the Board re-appointed Ms. Suman Lata Saraswat as Independent Director of the Company with effect from 13.02.2019 for a term of five years subject to the approval of the shareholders. The shareholders subsequently approved the re-appointment of Ms. Suman Lata Saraswat as Independent Director with requisite majority.

The required information of the Directors being re-appointed, pursuant to the provisions of the Listing Regulations, forms part of the Annual Report.

Your company is in full compliance of Listing Regulations and the Act with regard to the composition of Board of Directors.

Retire by rotation

Mr. Raghavendra Anant Mody will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director.

Key Managerial Personnel

As on date, Company has following Key Managerial Personnel in compliance with the provisions of section 203 of the Act.

Mr. Raghavendra Anant Mody, Chairman and Whole-time Director

Mr. Shyam Sunder Bhuwania - Vice Chairman and Managing Director

Mr. Deepak Kejriwal- Whole-time Director and CFO

Mr. Murari Lal Birmiwala- Sr. Vice President-Finance & Secretary

Board Meetings

Nine 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. Shyam Sunder Bhuwania, Mr. Sadhu Ram Bansal.

Mr. Raghavendra Anant Mody and Mr. Ratan Lal Nangalia were inducted in the Committee on 24.04.2018 and resigned from the Committee on 05.10.2018. Mr. Sadhu Ram Bansal was inducted in the Committee on 13.08.2018. Ms. Suman Lata Saraswat resigned from the committee w.e.f 28.05.2019.

Mr. M.L. Birmiwala acts as Secretary of the Committee.

All members of the Audit Committee are financially literate and have experience in financial management.

The Board has accepted all the recommendations made by the Audit Committee.

Declaration of Independent Directors

The Company has three Independent Directors namely Mr. Sadhu Ram Bansal, 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 Act and the Listing regulations.

Auditors

i) Statutory Auditors

M/s. K.N. Gutgutia & Co., Chartered Accountants (Firm Registration No. 304153E) were appointed as Statutory Auditors of the company from the conclusion of 57th AGM held on 29.09.2017 till the conclusion of 62nd AGM to be held in the year 2022.

M/s. K.N. Gutgutia & Co., Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Audit Report of M/s. K.N. Gutgutia, Chartered Accountants on the Financial Statements of the company for the Financial Year 2018-19 is a part of the Annual Report. The report does not contain any qualification, reservation, adverse remark or disclaimer.

ii) Cost Auditors

The Company is required to maintain the cost accounting records in terms of Section 148(1) of the Act read with rules

BOARDS' REPORT (Contd.)

made thereunder. The Company is regularly maintaining the required cost accounting records.

The Board of Directors of the company, on the recommendations made by the Audit Committee has appointed M/s. J.K Kabra & Co., Cost Accountants (Firm Registration No. 000009) as Cost Auditors of the company to conduct the audit of cost records of certain products for the financial year 2019-20.

The remuneration proposed to be paid to the Cost Auditors, subject to ratification by the members of the Company at the ensuing 59th AGM.

The Company has received consent from M/s. J.K. Kabra & Co., Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2019-20 along with a certificate confirming their independence and arm's length relationship.

iii) Secretarial Auditors

The Board has re-appointed M/s. KCG & Associates, Company Secretaries as Secretarial Auditors to conduct an audit of the Secretarial records for the financial year 2019-20.

The Company has received consent from M/s. KCG & Associates to act as the Secretarial Auditors for conducting audit of the secretarial records for the financial year ending 31st March, 2020.

The Secretarial Audit Report for the financial year ended 31.03.2019 under the Act read with rules made thereunder and Regulation 24A of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is annexed herewith as **Annexure-I** to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

iv) Internal Auditors

M/s. M.L Garg & Co., Chartered Accountants were appointed as Internal Auditors for the financial year 2018-19 and their reports are reviewed by the Audit committee from time to time.

As per the recommendations of the Audit Committee, M/s. NSBP & Co., Chartered Accountants were appointed as Internal Auditors of the company for the financial year 2019-20.

Reporting of Frauds by Auditors

During the year under review, none of the Auditors have reported any instances of fraud committed in the Company by its Officers or Employees to the Audit Committee/Board under section 143(12) of the Act, details of which needs to be mentioned in this Report.

Share Capital

The Authorised share Capital of the Company is ₹ 100,00,00,000 divided into 25,00,000 equity shares of ₹ 10/- each and 9,75,00,000 preference shares of ₹ 10/- each. The paid up Share Capital as on 31.03.2019 stood ₹ 96,63,25,850.

During the year under review the company has issued 9,51,89,700, 1% Redeemable Non - Cumulative Non-Convertible Preference Shares on preferential basis to Hindusthan Engineering & Industries Limited.

During the year, 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.

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 Act 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 13.02.2019 reviewed and evaluated the performance of Non-Independent Directors and Board as a whole.

The performance of the Chairman and 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

BOARDS' REPORT (Contd.)

was satisfactory. It was further noted that the Chairman took proper initiative in policy decisions making with the senior executives and Board.

The Members of Nomination and Remuneration Committee evaluated the performance of other Board members excluding themselves on the basis of the performance evaluation tools and were satisfied with overall performance of all the Board members and recommended the Board for continuation of the Members of the Board. Based on the recommendation of the Board, the Committee approved the term of appointment of Independent Directors.

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 thereon, 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 2018-19 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. During the year under review, the Company has revised the Nomination and Remuneration Policy, in accordance with the amendments to Section 178 of the Act and Listing Regulations.

The Remuneration Policy of the Company is available on its website and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

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

Information required under section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 is given in the **Annexure-II** 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 is available on the website of the Company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

In view of losses in preceding two years and small profit in one year, the Company was not eligible to spend towards CSR activities for the financial year 2018-19.

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.

Vigil Mechanism

In pursuance of the provisions of section 177 (10) of Act and Regulation 22 of the Listing Regulations, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Whistle Blower Policy is available on the website of the company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

Related Party Transactions

During the year under review, the Company revised its Policy on dealing with and Materiality of Related Party

BOARDS' REPORT (Contd.)

Transactions, in accordance with the amendments to the applicable provisions of the Listing Regulations. The Policy is available on the website of the Company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

All related party transactions that were entered into during the financial year 2018-19, were on an arm's length basis and in the ordinary course of business.

There are no material related party transactions made by the company during the year that required shareholders' approval under Section 188 of the Act.

All related party transactions are reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company. Prior approval of the Audit Committee is obtained on yearly basis for the transactions which are planned and/or repetitive in nature and omnibus approvals are taken.

The details of the transactions with related parties during the financial year 2018-19 are provided in the accompanying financial statements. Form AOC-2 pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure-III**.

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.

Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with Companies (Meetings of Board and its Power) Rules, 2014 are given in the notes to the Financial Statements.

Development and Implementation of a Risk Management Policy

Being a diversified and prudent enterprise, your Company continues to focus on a system-based approach to manage risks. Risk management has always been an integral part of your Company. Backed by strong internal control systems and existing Risk Management Framework have laid down the roles and responsibilities of various business segments regarding the managing of risks, covering a range of responsibilities, right from strategic to operational. These responsibilities today offer a strong foundation for appropriate risk management procedures, their effective implementation as well as the independent monitoring and reporting handled by Internal Audit and the top management team.

Your Company has set appropriate structures to monitor and manage inherent business risks proactively. Accordingly, raw material pricing risks, commodity risks and currency fluctuation risk effectively managed by its proficient and capable team. It also has appropriate checks and balances in place and aims to minimise the adverse impact of these risks on its operations.

Public Deposits

During the year under review, the Company has not accepted any deposits within the meaning of section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) 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 at all its workplaces. 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.

Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website and can be

BOARDS' REPORT (Contd.)

accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=16>. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

Secretarial Standards of ICSI

The Company is in compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

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 MGT-9 is attached as **Annexure-IV** and is available on the website of the company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=20>.

Personnel

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this report as **Annexure-V**.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of your Company during working hours, 21 days before the Fifty-Ninth Annual General Meeting and shall be made available to any shareholder on request.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 28th May, 2019

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2019

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

To,
The Members,
HINDUSTHAN URBAN INFRASTRUCTURE LIMITED
7th Floor, Kanchenjunga Building,
18, Barakhamba Road,
New Delhi - 110001

I, Kapoor Chand Garg, proprietor of M/s. KCG & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED** (CIN: L31300DL1959PLC003141) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (as amended) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable to the Company during the period of audit.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended);
 - (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 as amended;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable to the company during the period of audit**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable to the company during the period of audit.**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - **Not Applicable to the company during the period of audit.**

-
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - ***Not Applicable to the company during the period of audit.***
 - (vi) I further report that after considering the compliance system prevailing in the company and after carrying out test checks of the relevant records and documents maintained by the company, it has complied with the following laws that are applicable specifically to the company:
 - (a) Industrial Disputes Act, 1947
 - (b) Factories Act, 1948
 - (c) Payment of Bonus Act, 1965
 - (d) Minimum Wages Act, 1948
 - (e) Payment of Wages Act, 1936
 - (f) Payment of Gratuity Act, 1972
 - (g) Workmen's Compensation Act, 1923
 - (h) Employees' State Insurance Act, 1948
 - (i) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The 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, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. 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.

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/shorter notice, 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.

All decisions at the Board and Committee Meeting were carried out unanimously as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

I 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.

This report is to be read with my letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

**For KCG & Associates
Company Secretaries**

**Kapoor Chand Garg
Proprietor
C.P. No. 7829
FCS No. 7145**

**Place: New Delhi
Date: 28th May, 2019**

To,
The Members,
HINDUSTHAN URBAN INFRASTRUCTURE LIMITED
7th Floor, Kanchenjunga Building,
18, Barakhamba Road,
New Delhi - 110001

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For KCG & Associates
Company Secretaries**

**Kapoor Chand Garg
Proprietor
C.P. No. 7829
FCS No. 7145**

**Place: New Delhi
Date: 28th May, 2019**

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. 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.**

Company's Insulators Division exported to countries i.e. Italy, Turkey, Russia, Egypt, South Africa, Banladesh and Nepal etc.

The export during the year increase by 17.21% as compared to previous financial year. Efforts are being made for retaining our existing buyers and making additional efforts to introduce new buyers.

- (b) **Total Foreign Exchange used and earned (₹ in Lakhs)**

Used : ₹ 962.30

Earned : ₹ 8,318.23

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 arm's 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 Limited (Promoter Group Company)	Premises taken on rent	February 2018 to December 2018	Promain Ltd. provided its premises on lease to the Company for office use	31 st January, 2018	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	31 st January, 2018	Nil
3	Hindusthan Engineering & Industries Limited	Car parking	Until cancellation as per mutual agreement	Company provided its car parking space for office use	31 st January, 2018	Nil
4	Hindusthan Engineering & Industries Limited	Interest paid	Until cancellation as per mutual agreement	Interest paid on unsecured loan	31 st January, 2018	Nil
5	Hindusthan Consultancy and Services Limited	Brand Equity Fee	Until cancellation as per mutual agreement	Brand equity fee paid against use of trade mark	31 st January, 2018	Nil
6	Mrs. Sanchita Mody (Relative of Director)	Office or place of profit	As per contractual terms	Appointment as Advisor- Corporate Planning	31 st January, 2018	Nil

For and on behalf of the Board of Directors

Place: New Delhi
Date: 28th May, 2019

Raghavendra Anant Mody
Chairman
DIN: 03158072

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 31.03.2019

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	Public Company limited by shares
v.	Address of the Registered office and contact details	7th Floor, Kanchenjunga, 18, Barakhamba Road New Delhi – 110001, Ph: 011-23310001-05 Email – investors@hindusthan.co.in
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, 1st Floor, Okhla Industrial Area, Phase-I New Delhi-110020 Phone: 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	70.26
2.	Insulators	239 - Manufacture of non-metallic mineral products	29.07

* 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	58.50	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 1 st April, 2018				No. of Shares held at the end of the year 31 st March, 2019				% 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.	0	0	0	0	0	0	0	0	0
d. Bodies Corporates	10,76,545	0	10,76,545	74.61	10,76,545	0	10,76,545	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):-	10,77,245	0	10,77,245	74.66	10,77,245	0	10,77,245	74.66	0
(2) Foreign									
a. NRIs-Individuals	0	0	0	0	0	0	0	0	0
b. Other-Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	0	0	0	0	0	0	0	0	0
d. Banks / FI	0	0	0	0	0	0	0	0	0
e. 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):-	10,77,245	0	1077,245	74.66	10,77,245	0	10,77,245	74.66	0
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks / FI	5,000	0	5,000	0.35	5,000	0	5,000	0.35	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	0	0	0	0	0	0	0	0	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)	5,000	0	5,000	0.35	5,000	0	5,000	0.35	0
(2) Non Institutions									
a) Bodies Corporates	50,309	150	50,459	3.50	48,922	150	49,072	3.40	(0.10)
b) Individuals									

(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,25,061	26,141	1,51,202	10.48	1,24,276	24,460	1,48,736	10.31	-0.17
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	95,624	38,314	1,33,938	9.28	1,12,624	21,314	1,33,938	9.28	0.00
c) Others									
i. NRI	5,329	0	5,329	0.37	7,250	0	7,250	0.5	0.13
ii. HUF	10,251	100	10,351	0.71	12,270	100	12,370	0.86	0.15
iii. Clearing member	120	0	120	0.01	33	0	33	0	-0.01
iv. Unclaimed share (IEPF)	9,241	0	9,241	0.64	9,241	0	9,241	0.64	0.00
Sub-total (B) (2)	2,95,935	64,705	3,60,640	24.99	3,14,616	46,024	3,60,640	24.99	0.00
Total Public Shareholding (B)=(B) (1)+ (B)(2)	3,00,935	64,705	3,65,640	25.34	3,19,616	46,024	3,65,640	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)	13,78,180	64,705	14,42,885	100	13,96,861	46,024	14,42,885	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 shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Hindusthan Consultancy and Services Limited	7,08,825	49.13	0	7,08,825	49.13	0	0
2.	Promain Limited	1,17,900	8.17	0	1,17,900	8.17	0	0
3.	Carbo Industrial Holdings Limited	1,32,820	9.21	0	1,32,820	9.21	0	0
4.	Hindusthan Business Corporation Limited	47,000	3.26	0	47,000	3.26	0	0
5.	Pradyumna Steels Limited	70,000	4.85	0	70,000	4.85	0	0
6.	Rajendra Prasad Mody	500	0.03	0	500	0.03	0	0
7.	Raghavendra Anant Mody	200	0.01	0	200	0.01	0	0
	Total	10,77,245	74.66	0	10,77,245	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 31st March, 2019.

(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 Beginning of Year 01/04/2018 and End of The Year 31/03/2019	% To the Total Shares	Transaction Date	Increase /De-crease	Reason	Cummulative Share-holding Holding during the Period Between 01/04/2018 and 31/03/2019	% of Total Shares of the Company
1	Ritika Gupta	66,513	4.61	20.04.2018	-66,513	Sale	0	0
		0	0					
2	Ashok Kumar Gupta	0	0	20.04.2018	66,513	Purchase	66,513	4.61
		66,513	4.61					
3	Ramaben Bhagubhai Patel	21,314	1.48	-	-	-	21,314	1.48
		21,314	1.48					
4	3A Capital Services Limited	13,750	0.95	08.06.18	7,000	Purchase	20,750	1.44
				07.07.18	-14,200	Sale	6,550	0.45
				18.01.19	14,200	Purchase	20,750	1.44
		20,750	1.44					
5	Shah Paresh Chimanlal	16,194	1.12	-	-	-	16,194	1.12
		16,194	1.12					
6	Mahendra Girdhari Lal	15,897	1.10	-	-	-	15,897	1.10
		15,897	1.10					
7	Pinakin Chimanlal Shah	14,020	0.97	-	-	-	14,020	0.97
		14,020	0.97					
8	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	9,241	0.64	-	-	-	9,241	0.64
		9,241	0.64					
9	Javeri Fiscal Services Limited	6,700	0.46	27.04.18	-2,100	Sale	4,600	0.32
				08.06.18	36	Purchase	4,636	0.32
				13.07.18	360	Purchase	4,996	0.35
				20.07.18	402	Purchase	5,398	0.37
				03.08.18	200	Purchase	5,598	0.39
				21.09.18	-575	Sale	5,023	0.35
				07.12.18	90	Purchase	5,113	0.35
				07.01.19	-4,863	Sale	250	0.02
				08.02.19	5,215	Purchase	5,465	0.38
				08.03.19	1,120	Purchase	6,585	0.46
				29.03.19	1,815	Purchase	8,400	0.58
		8,400	0.58					
10	3A Financial Services Limited	7,004	0.49	08.06.18	-7,000	Sale	4	0.00
		4	0.00					

11	Jayesh Pratapchand Shah	4,916	0.34	11.05.18	715	Purchase	5,631	0.39
				13.07.18	369	Purchase	6,000	0.42
				20.07.18	818	Purchase	6,818	0.47
				27.07.18	100	Purchase	6,918	0.48
		6,918	0.48					
12	Raiomond Khodadad Irani	5,587	0.39	13.04.18	-22	Sale	5,565	0.39
				20.04.18	-12	Sale	5,553	0.38
				27.04.18	-265	Sale	5,288	0.37
				04.05.18	-70	Sale	5,218	0.36
				04.01.19	-90	Sale	5,128	0.36
				11.01.19	-100	Sale	5,028	0.35
				25.01.19	-195	Sale	4,833	0.33
				01.03.19	-475	Sale	4,358	0.30
				08.03.19	-300	Sale	4,058	0.28
				15.03.19	-101	Sale	3,957	0.27
				22.03.19	-100	Sale	3,857	0.27
				29.03.19	-19	Sale	3,838	0.27
		3,838	0.27					
13	The Oriental Insurance Company Limited	5,000	0.35	-	-	-	5,000	0.35
		5,000	0.35					

(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
1.	Shareholding of Key Managerial Personnel							
	M. L. Birmiwala							
	At the beginning of the year	2	0.00					
	At the end of the year	2	0.00					
1.	Shareholding of Directors							
	Mr. Raghavendra Anant Mody							
	At the beginning of the year	200	0.013					
	At the end of the year	200	0.013					
2.	Mr. Shyam Sunder Bhuwania							
	At the beginning of the year	70	0.004					
	At the end of the year	70	0.004					
3.	Mr. Deepak Kejriwal							
	At the beginning of the year	5	0.00					
	At the end of the year	5	0.00					
4.	Mr. Vivek Dayaram Kohli							
	At the beginning of the year	1	0.00					
	At the end of the year	1	0.00					

V. INDEBTEDNESS:

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	96,31,52,206	71,73,49,578	-	1,68,05,01,784
ii) Interest due but not paid	-	23,01,32,124	-	23,01,32,124
iii) Interest accrued but not paid	-	1,28,27,678	-	1,28,27,678
Total (i + ii + iii)	96,31,52,206	96,03,09,380	NIL	1,92,34,61,586
Change in Indebtedness during the financial year (Principal Amount)				
- Addition	7,89,98,260	-	-	7,89,98,260
- (Reduction)	-	(71,46,47,930)	-	(71,46,47,930)
Net Change	7,89,98,260	(71,46,47,930)	NIL	(63,56,49,670)
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	1,04,21,50,466	22,91,08,050	-	1,27,12,58,516
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,65,53,400	-	1,65,53,400
Total (i + ii + iii)	1,04,21,50,466	24,56,61,450	NIL	1,28,78,11,916

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr.Raghavendra Anant Mody, Chairman and Whole - time Director	Mr. Shyam Sunder Bhuwania, Vice Chairman & Managing Director	Mr. Deepak Kejriwal* Whole Time Director & CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,83,135	64,76,000	18,96,380	1,38,55,515
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,49,374	-	-	2,49,374
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others, specify				
5.	Others, please specify	-	-	-	-
	Total (A)	57,32,509	64,76,000	18,96,380	1,41,04,889

* Mr. Deepak Kejriwal was designated as Chief Financial Officer till 30.11.2018 and thereafter appointed as Whole Time Director & CFO w.e.f. 01.12.2018.

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Sadhu Ram Bansal	Mr. Mool Chand Gauba	Ms. Suman Lata Saraswat	Mr. Ramawatar Joshi	Mr. Ratan Lal Nangalia	Mr. Vivek Dayaram Kohli*	
1.	Independent Directors • Fee for attending Board / Committee meetings • Commission • Others, please specify	1,70,000 - -	2,30,000 - -	2,60,000 - -	40,000 - -	50,000 - -	- - -	7,50,000 - -
	Total (1)	1,70,000	2,30,000	2,60,000	40,000	50,000	-	7,50,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	- - -	- - -	- - -	- - -	- - -	10,000 - -	10,000 - -
	Total (2)	-	-	-	-	-	10,000	10,000
	Total = (1+2)	1,70,000	2,30,000	2,60,000	40,000	50,000	10,000	7,60,000

* Mr. Vivek Dyaram Kohli resigned from the Company on 30.10.2018.

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

(Amount in ₹)

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 upto 30.11.2018	
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	35,21,128 82,575 -	28,10,400 - -	63,31,528 82,575 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	36,03,703	28,10,400	64,14,103

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

Place: New Delhi
Date: 28th May, 2019

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

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

PART- A

Information required under section 197(12) of the Companies Act, 2013 read with 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 2018-19 is as follows:**

Mr. Raghavendra Anant Mody	1:11
Mr. Shyam Sunder Bhuwania	1:05
Mr. Deepak kejriwal	1:10

- (ii) **Details of percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary are as follows:**

Name of Director	Increase / (Decrease)
Mr. Raghavendra Anant Mody	14
Mr. Shyam Sunder Bhuwania	(63)
Mr. Deepak Kejriwal	30
Mr. Sadhu Ram Bansal	Nil
Mr. Mool Chand Gauba	Nil
Mrs. Suman Lata Saraswat	Nil
Mr. M.L. Birmiwala	Nil

- (iii) **The percentage increase in the median remuneration of employees in the financial year 2018-19:**

The percentage increase in the median remuneration of employees in the financial year is around 0.36%.

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

The number of employees on permanent rolls of the company is 445.

- (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:**

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: 28th May, 2019

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

CORPORATE GOVERNANCE REPORT

HINDUSTHAN URBAN INFRASTRUCTURE LIMITED 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, employees, other stakeholders and the society at large. The practice of responsible governance has enabled it to achieve sustainable growth, while meeting the aspirations of its stakeholders and fulfilling societal expectations.

To succeed, we believe, requires high standards of corporate behavior towards everyone we work with, the communities we touch and environment on which we have an impact. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

This report is prepared in accordance with the provisions of the Listing Regulations [Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] and the report contains the details of Corporate Governance systems and processes at Hindusthan Urban Infrastructure Limited.

THE BOARD OF DIRECTORS

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The composition and size of the Board is reviewed periodically to ensure that the Board is a wholesome blend of Directors with complementary skill-sets.

Composition of the Board

As on date of this report, the Board comprised of 6 (six) directors consist of 1 (one) Promoter Executive Director, 2 (two) Non-Promoter Executive Directors and 3 (three) Non-Executive Independent Directors including a Woman Director.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder.

Meeting, attendance and other directorships

The Board of Directors met nine times during the Financial Year 2018-2019 i.e. on 24.04.2018, 03.05.2018, 30.07.2018, 13.08.2018, 18.09.2018, 05.10.2018, 31.10.2018, 12.12.2018 and 13.02.2019.

The details of membership of Directors on the other Board/Committees and attendance record of Directors at Board/Committees/Annual General Meeting are given hereunder:

Name of Directors	Nature of Directorship	Board Meetings		AGM Attendance	Other Directorship	Number of Chairmanship / Memberships in Committees *		Director-ship held in other listed Companies	No. of shares held in the company along with percentage to the paid up share capital of the Company
		Held	Attended			Membership	Chairmanship		
Mr. Raghavendra Anant Mody	Executive Chairman/ Promoter	9	8	No	9	-	-	Director of Pradyumna Steels Limited	200 (0.01%)
Mr. Shyam Sunder Bhuwania**	Executive, Vice Chairman & Managing Director	9	9	Yes	1	2	-	-	70 (0.004 %)

CORPORATE GOVERNANCE REPORT (Contd.)

Mr. Deepak Kejriwal #	Executive, Whole-time Director & CFO	1	1	Yes	1	-	-	-	5 (0.0003 %)
Mr. Ramawatar Joshi ##	Non-Executive Director / Independent	3	3	NA	-	-	-	-	-
Mr. Ratan Lal Nangalia ##	Non-Executive Director / Independent	5	3	Yes	-	-	-	-	-
Mr. Vivek Dayaram Kohli ##	Non- Executive	6	1	No	4	-	-	-	1 (0.00006 %)
Mr. Sadhu Ram Bansal^	Non-Executive Director / Independent	5	5	Yes	2	-	1	Independent Director of KEI Industries Limited	-
Mr. Mool Chand Gauba	Non-Executive Director / Independent	9	8	No	2	1	1	-	-
Ms. Suman Lata Saraswat^^	Non-Executive Director / Independent	9	9	Yes	7	-	4	Independent Director of :- • Carbo Industrial Holdings Limited, • Foster Engineering & Industries Limited, • Hindusthan Business Corporation Limited, • Pradyumna Steels Limited and • Jain Tube Company Limited	-

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

** Mr. Shyam Sunder Bhuwania was re-appointed as Managing Director for a period of three years w.e.f. 04.12.2018.

*** No inter-se relationship with any of the directors of the company.

Mr. Deepak Kejriwal was appointed as Whole-time Director w.e.f 01.12.2018.

Mr. Ramawatar Joshi, Mr. Ratan Lal Nangalia and Mr. Vivek Dayaram Kohli ceased to be Director of the company w.e.f. 30.07.2018, 05.10.2018 and 30.10.2018 respectively.

^ Mr. Sadhu Ram Bansal was appointed as Independent Director w.e.f 13.08.2018.

^^ Ms. Suman Lata Saraswat was re-appointed as Independent Director for second term effective from 01.04.2019.

CORPORATE GOVERNANCE REPORT (Contd.)

INDEPENDENT DIRECTORS

MEETINGS OF INDEPENDENT DIRECTORS

Schedule IV of the Companies Act, 2013 and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non – Independent Directors.

During the financial year 2018-19, the Independent Directors met on 13.02.2019 discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

FAMILIARISATION PROGRAMME

The Company conducts Familiarisation Programme for Independent Directors to enable them to understand their roles, rights and responsibilities. The Independent Directors are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Moreover, when new Director(s) are inducted on the Board, an information pack is handed over to them which includes Company profile, Company's Codes and Policies, Strategy and such other operational information which will enable them to understand the Company and its business(es) in a better way.

The details of such familiarisation programme are disclosed on the website of the company which can be accessed on <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

SELECTION OF INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and the decisions are considered by the Nomination and Remuneration Committee, for appointment of Independent Director on the Board. The Committee, inter alia, considers Qualification, positive attributes, area of expertise, number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law.

Matrix setting out the skills/expertise/competence required in the context of its business for it to function effectively and those actually available with the Board:

S. No.	Areas of expertise required	Description	Skill areas actually available with Board
1.	Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company.	Yes
2.	Risk and Compliance	Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.	Yes
3.	Financial	Comprehensive understanding of financial accounting, reporting and controls and analysis.	Yes
4.	Sales, Marketing & Brand building	Experience in developing strategies to grow sales and market share, build brand awareness and equity.	Yes
5.	Board service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholders interest.	Yes

AUDIT COMMITTEE

Composition

The Audit Committee comprises of Mr. Mool Chand Gauba as Chairman, Mr. Shyam Sunder Bhuwania and Mr. Sadhu Ram

CORPORATE GOVERNANCE REPORT (Contd.)

Bansal as Members.

Mr. M.L. Birmiwala acts as Secretary of the Committee.

- Mr. Raghavendra Anant Mody and Mr. Ratan Lal Nangalia were inducted in the Committee on 24.04.2018 and both resigned from the Committee on 05.10.2018.
- Mr. Sadhu Ram Bansal was inducted in the Committee on 13.08.2018.
- Ms. Suman Lata Saraswat resigned from the committee w.e.f 28.05.2019.

Meeting, quorum and attendance

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

(i) 24.04.2018 (ii) 13.08.2018 (iii) 31.10.2018 (iv) 12.12.2018 (v) 13.02.2019.

The attendance of the members at Audit Committee meetings held during the financial year 2018-19 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Mool Chand Gauba	5	5
Mr. Sadhu Ram Bansal	3	3
Ms. Suman Lata Saraswat	5	5
Mr. Raghavendra Anant Mody	1	1
Mr. Shyam Sunder Bhuwania	5	5
Mr. Ratan Lal Nangalia	1	0

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Companies Act, 2013 and Listing Regulations. During the year, the terms of reference of the Committee was updated in line with the amendments to the Listing Regulations. The detailed terms of reference of the Audit Committee is available on the website of the Company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=20>.

The Audit Committee ensures that it has reviewed each area that is required to be reviewed under its terms of reference and under applicable legislation or by way of good practice.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee comprises of Mr. Mool Chand Gauba as Chairman, Mr. Sadhu Ram Bansal and Ms. Suman Lata Saraswat as Members.

Mr. M.L. Birmiwala acts as Secretary of the Committee.

- Mr. Ramawatar Joshi ceased to be member of the Committee w.e.f. 30.07.2018.
- Mr. Mool Chand Gauba inducted in Committee on 30.07.2018
- Mr. Sadhu Ram Bansal was inducted in the Committee on 13.08.2018.
- Mr. Ratan Lal Nangalia resigned from Committee on 05.10.2018.

Meeting, quorum and attendance

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

(i) 24.04.2018 (ii) 13.08.2018 (iii) 12.12.2018 (iv) 13.02.2019.

The attendance of the members at Nomination and Remuneration Committee meetings held during the financial year 2018-19 are detailed below:

CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Mool Chand Gauba	3	3
Mr. Ramawatar Joshi	1	1
Mr. Ratan Lal Nangalia	2	1
Mr. Sadhu Ram Bansal	2	2
Ms. Suman Lata Saraswat	4	4

The detailed terms of reference of the Nomination and Remuneration Committee is available on the website of the Company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=20>.

REMUNERATION POLICY

The details of Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management are 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 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. 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 Directors

The details of the Remuneration (including allowances and perquisites) paid to the Directors of the company for the financial year 2018-19 are as follows:

(Amount in ₹)

Name of the Directors	Basic Salary	Allowance & Perquisites	Sitting fee	Commission	Total
Mr. Raghavendra Anant Mody *	31,48,387	25,84,122	-	-	57,32,509
Mr. Shyam Sunder Bhuwania *	18,00,000	46,76,000	-	-	64,76,000
Mr. Deepak Kejriwal w.e.f. 01.12.2018 *	4,40,000	14,56,380	-	-	18,96,380 #
Mr. Ramawatar Joshi	-	-	40,000	-	40,000
Mr. Ratan Lal Nangalia	-	-	50,000	-	50,000
Mr. Vivek Dayaram Kohli	-	-	10,000	-	10,000
Mr. Sadhu Ram Bansal	-	-	1,70,000	-	1,70,000
Mr. Mool Chand Gauba	-	-	2,30,000	-	2,30,000
Ms. Suman Lata Saraswat	-	-	2,60,000	-	2,60,000

* Allowances and Perquisites in case of Mr. Raghavendra Anant Mody, Mr. Shyam Sunder Bhuwania and Mr. Deepak Kejriwal are Books and Periodicals, House Rent Allowance, Leave Travel concession, Provident Fund, Gratuity as per their appointment letter issued by the company as Executive Directors.

Excluding LTC for ₹ 1,51,612/-

The Company has not granted stock options to any of its Directors.

Independent Directors

The Independent Directors are paid ₹ 20,000/- as sitting fees for attending every meeting of the Board and ₹ 10,000/- for attending the Committees Meetings including separate meeting of Independent Director held during the year.

CORPORATE GOVERNANCE REPORT (Contd.)

Non-Executive Directors with materially significant, pecuniary or business relationship with the Company

There have been no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees payable to them in accordance with the applicable laws and with the approval of the shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 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 of Directors. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

- **Board, Committees and Senior Management**

One of the key responsibilities of the Board and the Nomination & Remuneration Committee includes establishment of a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman.

- **Board and Individual Directors**

The parameters of the performance evaluation process for the Board, inter alia, considers work done by the Board around long term strategy, mix of Board members, discharging its governance & fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters of the performance evaluation process for Directors includes, effective participation in meetings of the Board, attendance of Director(s), etc. Independent Directors were evaluated by the entire Board with respect to fulfillment of independence criteria as specified in the Listing Regulations and their Independence from the Management.

The Independent Director(s) had evaluated the performance of Non – Executive Directors and the Chairman of the Board. The outcome of meeting evaluation was discussed at the respective meetings of Board, Committees and Independent Directors.

- **Committees of the Board**

The performance evaluation of committees were carried out based on the degree of fulfillment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of meetings, quality of deliberations at the meetings and information provided to the Committees. The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

- **Managing Director or Whole-time Director**

The Nomination & Remuneration Committee evaluates the performance of the Managing Director/Whole-time Director by setting his Key Performance Objectives or Key Performance Parameters at the beginning of each financial year. The Committee ensures that his Key Performance Objectives are aligned with the immediate and long-term goals of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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.

- Mr. Ramawatar Joshi resigned from the Committee w.e.f. 30.07.2018.
- Mr. Sadhu Ram Bansal was inducted in the Committee on 13.08.2018.

Since, the Company was not required to spend towards CSR activities in absence of average profits on account of losses in preceding two financial years and small profit in one year, therefore, no meeting of the CSR Committee was held and no expense was incurred.

The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=20>.

CORPORATE GOVERNANCE REPORT (Contd.)

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Composition

The Stakeholders Relationship Committee comprises of Mr. Sadhu Ram Bansal as Chairman, Mr. Shyam Sunder Bhuwania and Ms. Suman Lata Saraswat as Members.

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

- Mr. Ratan Lal Nangalia ceased to be member of the Committee w.e.f. 30.07.2018.
- Mr. Sadhu Ram Bansal was inducted in the Committee on 13.08.2018.

During the year, one meeting of the Committee was held on 13.02.2019.

The detailed terms of reference of the Stakeholders' Relationship Committee is available on the website of the Company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=20>.

During the year, the Company had received no complaints from shareholders and there were no complaints which had remained unresolved at the end of the year. Further, no investor grievance has remained unattended / pending for more than thirty days.

SHARE TRANSFER COMMITTEE

The share transfer Committee comprises of Mr. Shyam Sunder Bhuwania and Mr. M.L. Birmiwala which is responsible for approving the transfer, transmission, consolidation of securities, issuance of duplicate certificates etc. which are in physical form. The Board takes note of the transfer of shares approved by the Committee in their next meeting.

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.

GENERAL BODY MEETINGS

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

Financial Year (s)	Venue	Date	Time	Special Resolution Passed
2015-2016	7th Floor, Kanchenjunga, 18, Barakhamba Road, New Delhi – 110001	30.09.2016	9:30 A.M.	Yes*
2016-2017	Ghalib institute , Aiwan-e- Ghalib Marg, New Delhi-110002	29.09.2017	9:30 A.M.	Nil
2017-2018	Hotel Connaught Royale, 106, Babar Road, Connaught Place, Opp. World Trade Center, New Delhi – 110001	28.09.2018	9:30 A.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. 01.04.2016.

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

Resolutions passed through Postal Ballot:

During the year under review, approval of the shareholders of the company were sought through postal ballot and details of the same are given below:

- Approval for alteration in capital clause of Memorandum of Association of the Company.
- Approval of alteration in the Articles of Association of the Company.
- Approval for offer, issue and allot 9,51,89,700, 1% Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10/- each on preferential basis pursuant to the Subscription Agreement entered with Hindusthan Engineering & Industries Limited.
- Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013.
- Re-appointment of Mr. Shyam Sunder Bhuwania as Managing Director with effect from 4th December, 2018.
- Re-appointment of Ms. Suman Lata Saraswat as an Independent Director with effect from 1st April, 2019.

CORPORATE GOVERNANCE REPORT (Contd.)

(vii) Appointment of Mr. Deepak Kejriwal as Director.

(viii) Appointment of Mr. Deepak Kejriwal as Whole Time Director with effect from 1st December, 2018.

Mr. Tanuj Vohra, Partner of M/s. TVA & Co., LLP, Company Secretaries and Mr. Kapoor Chand Garg, Proprietor of M/s. KCG & Associates, Company Secretaries were appointed as the scrutinizers for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its members. The Company engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility to all its members. The members had an option to vote either by postal ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members/ list of beneficiaries as on cut - off date. The postal ballot notice was sent to members in electronic form at the email addresses registered with the depository participants/Company's Registrar & Share Transfer Agents. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Secretarial Standards issued by Institute of Company Secretaries of India, Companies Act, 2013 and the Rules issued thereunder.

Voting rights were reckoned on the paid up value of shares of the Company registered in the names of the shareholders as on the cut - off date. Members desiring to vote through postal ballot were requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submitted his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Chairman of the Company. The results were displayed on the website of the Company www.hindusthanurban.com, besides being communicated to the Stock Exchange and e-voting website of NSDL.

OTHER DISCLOSURES

(1) The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Listing Regulations.

(2) Related Party Transactions

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 subsidiary company. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests.

During the year under review, the Board of Directors has adopted the updated related party transaction policy in line with the amendments to the Listing Regulations.

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

The details of remuneration paid to the employee of the company, who is relative of Director as on 31st March, 2019 is as under:

Name of employee	Nature of relationship with Director(s)	Remuneration (Amount in ₹)
Mrs. Sanchita Mody, Advisor – Corporate Planning	Relative (Mother) of Mr. Raghavendra Anant Mody	49,59,596/-

In terms, of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment and remuneration payable to the aforesaid is approved by the Audit Committee and noted by the Board of Directors of the Company and is at arm's length and in ordinary course of business of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

(3) **Vigil Mechanism and Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy as per the provision of Companies Act, 2013 and as required by the Listing Regulations. The Whistle Blower Policy is hosted on the website of the Company.

During the year under review, the Policy was suitably amended to include reporting of instances relating to leak of Unpublished Price Sensitive Information (UPSI).

(4) In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

(5) The Company has complied with all the requirements of the Stock Exchange and SEBI on matters relating to Capital Markets. There were no penalties imposed against the Company by SEBI, stock exchange on which the shares of the Company are listed or any statutory authority in this regard, during the last 3 (three) years.

(6) **Details of compliance with mandatory requirements and adoption of Non-Mandatory Requirements**

The Company has complied with all mandatory requirements of Listing Regulations relating to Corporate Governance.

Non Mandatory Requirements

(i) During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

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

(7) **Subsidiary Companies**

The Company has material non-listed Indian subsidiary Company in terms of Regulation 16 of the Listing Regulations. Minutes of the Board meetings of the subsidiary company are placed at the Board meeting of the Company on periodical basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiary of the Company.

During the year, the Company has disposed of its investment in Wholly Owned Subsidiary Company Hindusthan Projects Limited and name of the other wholly owned subsidiary Company Hindusthan Vidyut Products Limited has been struck off.

During the year under review, the Policy for determining material subsidiaries was suitably modified to bring it in line with the recent amendments to Listing Regulations.

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

(8) **Website**

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations. 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 and can be accessed at www.hindusthanurban.com.

(9) **Secretarial Compliance Report**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchange within 60 days of the end of the financial year.

The Company has engaged the services of Mr. Kapoor Chand Garg, Proprietor of M/s. KCG & Associates, Company Secretaries and Secretarial Auditor of the Company for providing this certification.

(10) **Confirmation and Certificate from Practicing Company Secretary**

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Mr. Kapoor Chand Garg, proprietor of M/s. KCG & Associates, Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or

CORPORATE GOVERNANCE REPORT (Contd.)

continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority.

(11) Code of Conduct

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors and employees. The Code is applicable to Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put up on the Company's website and can be accessed at www.hindusthanurban.com. The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

A declaration to this effect signed by Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director of the company forms part of this Report.

Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1st April, 2019.

In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter alia, required to amend/ formulate the following:

- (a) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons.
- (b) Formulate a Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct'.
- (c) Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI).
- (d) Whistle Blower Policy to enable reporting in case of leak of UPSI.

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons, Code of Fair Disclosure & Conduct and Whistle Blower Policy have been uploaded on website of the Company and can be accessed at <http://hindusthanurban.com/investorrelation.aspx?mpgid=151&pgidtrail=151&catid=14>.

The Board of Director at their meeting held on 13th February, 2019, approved formulation/amendments to the aforesaid.

The Audit Committee review cases of non-compliances, if any, and makes necessary recommendations w.r.t. action taken against such defaulters.

General Shareholder information

1.	Company Registration Details	:	The Company is registered in Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L31300DL1959PLC003141.
2.	Annual General Meeting	:	
	Date, Time and venue		Monday, 30 th September, 2019 9:30 A.M. Hotel Connaught Royale, 106, Babar Road, Connaught Place, Opp. World Trade Center, New Delhi – 110001
3.	Book Closure	:	Tuesday, 24 th September, 2019 to Monday, 30 th September, 2019 (both days inclusive)
4.	Financial Calendar	:	
	Financial year		1 st April, 2019 to 31 st March, 2019
	Tentative schedule for declaration of financial results during the financial year 2019-20		

CORPORATE GOVERNANCE REPORT (Contd.)

	Quarter ending 30 th June, 2019	Before 14 th August, 2019
	Quarter ending 30 th September, 2019	Before 14 th November, 2019
	Quarter ending 31 st December, 2019	Before 14 th February, 2020
	Quarter and year ending 31 st March, 2020	Before 30 th May, 2020
5.	Listing details	:
	Name of Stock Exchange and Stock Code	Address
	BSE Limited (BSE) - 539984	BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
	ISIN	INE799B01017
	Payment of Listing Fees	Annual listing fee for the financial year 2019-20 has been paid to BSE Limited.
	Payment of Depository Fees	Annual Custody / Issuer fee for the year 2019-20 has been paid by the Company to Central Depository Services Limited (CDSL) and will be paid to National Securities Depository Limited (NSDL) on receipt of the invoice.

MEANS OF COMMUNICATION

(a) Quarterly Results

The Company's quarterly / half-yearly / nine months / annual financial results are sent to Stock Exchange and published in newspapers i.e. Financial Express in English & Jansatta in Hindi. Simultaneously, they are also put on the Company's website www.hindusthanurban.com.

(b) Stock Exchange

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.

(c) Reminder to Investors

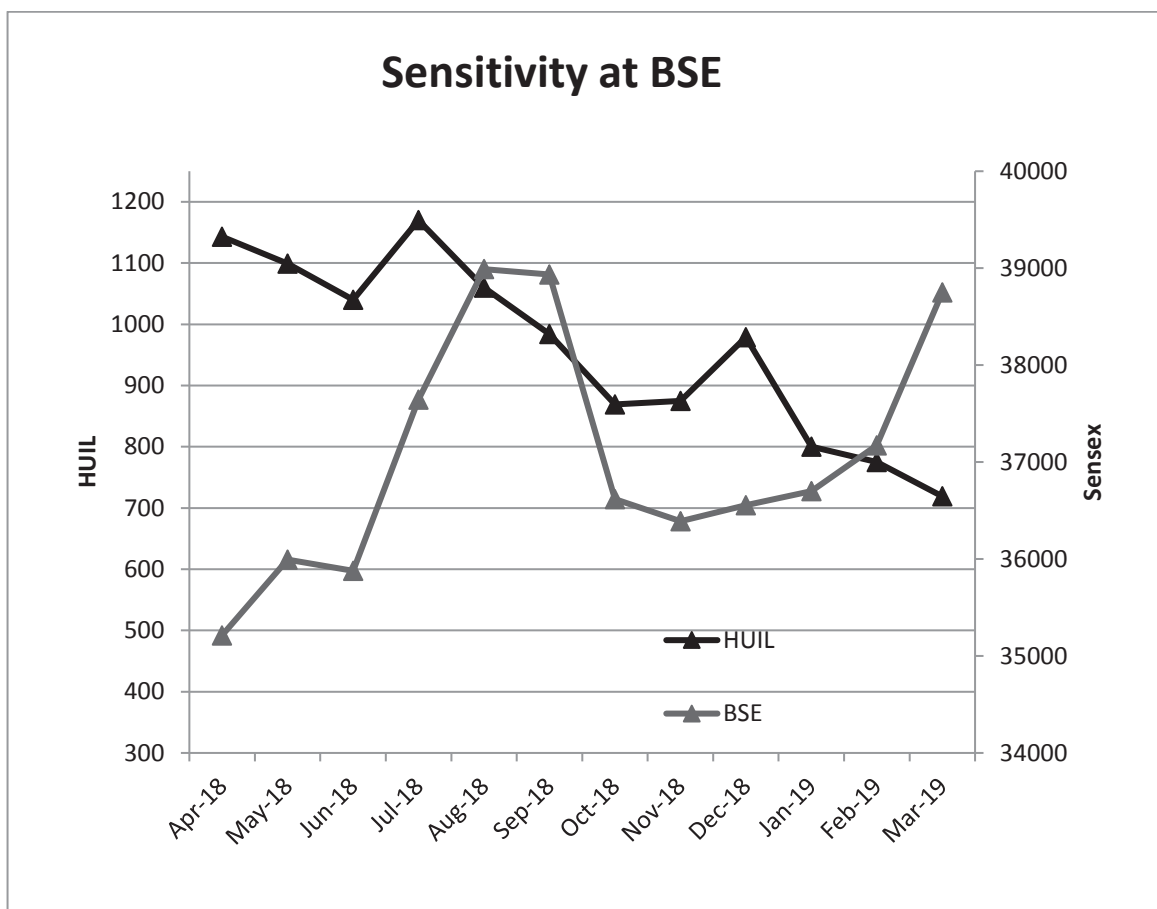
Reminders for unclaimed shares, unpaid dividend / unpaid interest are sent to the shareholders as per records every year.

6. Market Price Data – the monthly high and low prices of the Company's shares at BSE for the financial year ended 31st March, 2019 are as follows:

Month	BSE Limited	
	High (in ₹)	Low (in ₹)
April-18	1,143.00	851.05
May-18	1,099.00	925.00
June-18	1,040.00	846.90
July-18	1,170.00	891.00
Aug-18	1,059.95	835.35
Sep-18	984.00	701.10
Oct-18	869.00	640.10
Nov-18	875.00	690.00
Dec-18	979.00	701.00
Jan-19	800.00	678.00
Feb-19	775.00	566.10
Mar-19	719.00	571.00

CORPORATE GOVERNANCE REPORT (Contd.)

7. Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the financial year 2018-2019*



* Sources www.bseindia.com

8.	Share Transfer System	:	The share transfer committee meets 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.
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CORPORATE GOVERNANCE REPORT (Contd.)

9.	Transfer to the Investor Education and Protection Fund :	<p>Pursuant to applicable provisions of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company. Further, according to the IEPF Rules, the shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.</p> <p>During the year under review, the Company sent individual notices, seeking action from the shareholders who have not claimed their dividends for 7 (seven) consecutive years or more. The Company has transferred to IEPF the following unclaimed dividends:</p> <table><tr><th>Particulars</th><th>Amount of Dividend</th></tr><tr><td>Final Dividend for the Financial Year 2010-11</td><td>₹ 1,03,964</td></tr></table> <p>During the financial year 2019–20, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2012 on or before 15th October, 2019 to IEPF.</p>	Particulars	Amount of Dividend	Final Dividend for the Financial Year 2010-11	₹ 1,03,964
Particulars	Amount of Dividend					
Final Dividend for the Financial Year 2010-11	₹ 1,03,964					
10.	Dematerialization of Shares	<p>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 96.81% of equity capital of the Company has been dematerialised.</p>				
11.	Distribution of Shareholding :	<p>Distribution of shareholding of shares of the Company as on 31st March, 2019 is as follows:</p>				

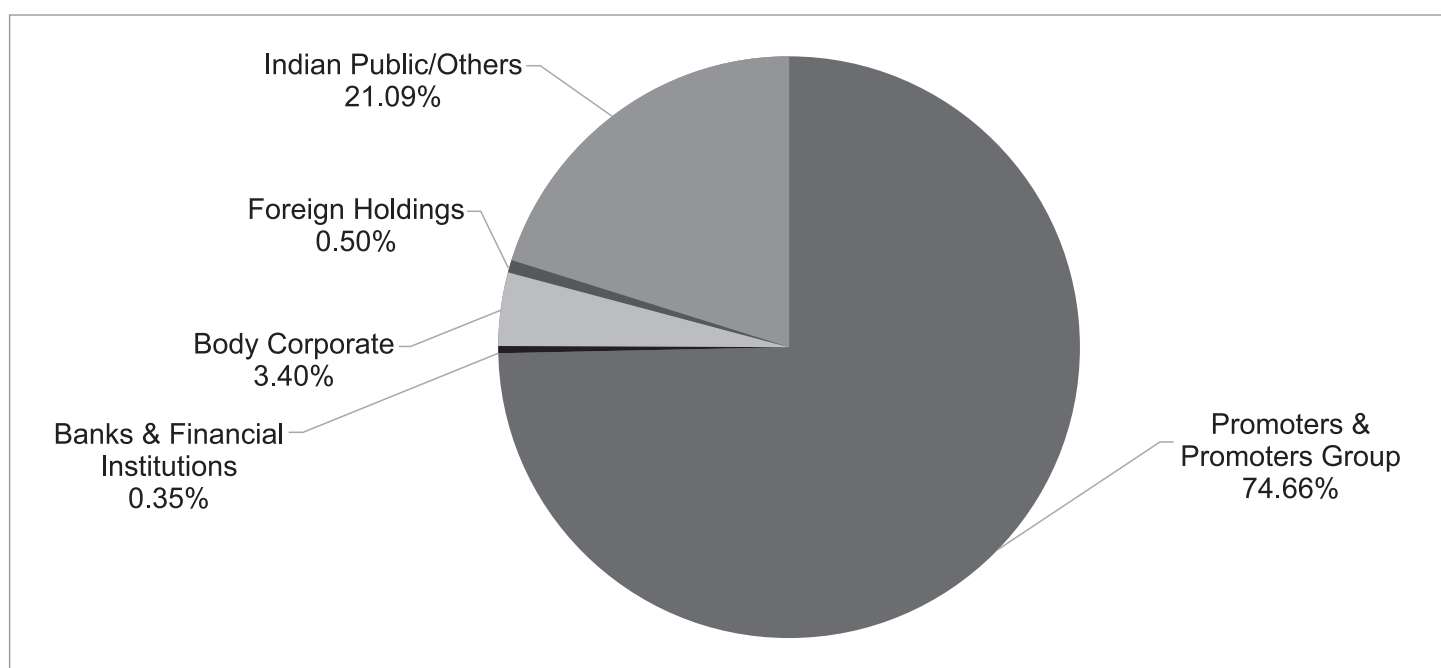
No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
1 – 500	1170	93.15	84316	5.84
501 – 1000	38	3.03	27660	1.92
1001 – 2000	15	1.19	19296	1.34
2001 – 3000	13	1.04	32260	2.24
3001 – 4000	4	0.32	14361	1
4001 – 5000	2	0.16	9200	0.64
5001 – 10000	3	0.24	24559	1.7
10001 & above	11	0.88	1231233	85.33
	1256	100	1442885	100

CORPORATE GOVERNANCE REPORT (Contd.)

12. The Shareholding Pattern as on 31st March, 2019.

Shares held by	No. of Shares	% of Shareholding
Promoters& Promoters Group	1077245	74.66
Public Shareholding –		
Banks and Financial Institutions	5000	0.35
Bodies Corporate	49072	3.40
Foreign holdings (NRIs)	7250	0.50
Indian Public/ Others	304318	21.09
Total	1442885	100

13. Category wise shareholding



14.	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)
		:	Industrial Area, P.O. Birla Nagar, Gwalior – 474 004 (Madhya Pradesh)
15.	Address for Correspondence	:	Hindusthan Urban Infrastructure Limited, 7th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001 Tel: +91-11-23310001-05 Email: investors@hindusthan.co.in Website: www.hindusthanurban.com

CORPORATE GOVERNANCE REPORT (Contd.)

16.	Registrar and 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
17.	Outstanding Instruments and their impact on equity	:	The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31 st March, 2019.
18.	Commodity Price Risk / Foreign Exchange Risk and Hedging activities	:	The Company has a mechanism to assess risk, periodically review it and ensure that steps are taken to mitigate the risks. The Company does not undertake any commodity hedging activity. The Company actively monitors the foreign exchange movements and take steps to cover risks.
19.	Credit Ratings	:	The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme during the financial year ended 31.03.2019. The rating given by Brickwork Ratings for the short term borrowing and long term borrowing of the company are A3 and BBB- respectively. There was no revision in the said ratings during the year under review.
20.	Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations	:	The Company has allotted 9,51,89,700, 1% redeemable, Non-Cumulative Non-convertible Preference shares to Hindusthan Engineering Industries Limited on preferential basis.
21.	Recommendations of Committees of the Board	:	There were no instances during the financial year 2018-19, wherein the Board had not accepted recommendations made by any committee of the Board.
22.	Total fees paid to Statutory Auditors of the Company	:	Total fees of ₹ 6,81,502 (Rupees Six Lakh Eighty One Thousand Five Hundred Two Only) for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors.
23.	Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	:	The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2018-19 are as under: <ul style="list-style-type: none"> Number of complaints filed during the financial year: Nil Number of complaints disposed of during the financial year: Nil Number of complaints pending as on end of the financial year: Nil

24. Equity shares in the suspense account:

In accordance with the requirements of Regulation 34, 39 read with Schedule V(F) of Listing Regulations details of equity shares in Hindusthan Urban Infrastructure Limited Unclaimed Suspense Account are as follows:

S. No.	Particulars	No. of shareholders	No. of equity shares
1.	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1 st April, 2018.	56	9241
2.	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
3.	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	Nil	Nil
4.	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31 st March, 2019	56	9241

CORPORATE GOVERNANCE REPORT (Contd.)

25.	Others	:	
	Updation of shareholders details		Shareholders holding shares in physical form are requested to notify changes to the Company/ its RTA, promptly by a written request under the signatures of sole/first joint holder; and Shareholders holding shares in electronic form are requested to send their instructions directly to their Depository Participants.
	Nomination of shares		Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Form No. SH-13 download the same from the Company's website.

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, 2019.

For Hindusthan Urban Infrastructure Limited

Place: New Delhi

Date: 28th May, 2019

Shyam Sunder Bhuwania

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, 2019, 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 Securities and Exchange Board of India (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 to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. 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 statements of the Company.
4. We have examined relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), and 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, 2019.

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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

Place: New Delhi
Date: 28th May, 2019

(B. R. Goyal)
Partner
M. No. 12172

CEO & CFO CERTIFICATE

We hereby certify that-

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 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 31st March 2019 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.

Deepak Kejriwal
(Whole-time Director & CFO)

Shyam Sunder Bhuvania
(Vice Chairman & Managing Director)

Place: New Delhi
Date: 28th May, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. The government's continued focus on 24x7 affordable and reliable power supply to all villages and households and strengthening of T&D network are some of the key growth drivers of conductor market.

Electrification in the country is increasing with the support of schemes like Deen Dayal Upadhyay Gram Jyoti Yojna and Integrated Power Development Schemes.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. 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 in the country, massive addition to the installed generating capacity is required.

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. Electricity production in India reached 108.90 Billion Units (BU) in April 2019.

2. Opportunities & Threats

The Conductors are crucial elements of a transmission and distribution (T&D) network. However, the domestic conductor industry has witnessed sluggish growth over the past three years, recording a CAGR about 2%. The size of market increased marginally from ₹ 72.5 billion in 2016-17 to ₹ 81.00 billion in 2017-18, after recording negative growth for two consecutive years.

The tendering activity is expected to pick up post general elections in May 2019. As per the 13th Five Year Plan 52,849 ckms of AC transmission lines and 72,705 MVA of transformation capacity was added in FY 19. However, discom loss reduction focused UDAY scheme fell short of targets including AT&C loss reduction to <15% by March, 2019.

3. Segment-wise or Product-wise Performance

During the year revenue from operations of Insulator division has decreased by 6.80% from ₹ 218.08 Crore in FY 2017-18 to ₹ 203.25 Crores in FY 2018-19 (Excluding GST), whereas profit before interest and tax has grown 48.78% from ₹ 18.02 Crores in FY 2017-18 to ₹ 26.81 Crores in FY 2018-19.

During the year revenue from operations of conductor division has increased by 1.64% from ₹ 483.23 Crores to ₹ 491.16 Crores in FY 2018-19. While profit before interest and tax has fallen to ₹ 12.91 Crores as compared to ₹ 18.54 Crores in previous financial year.

During the year Company has treated "Faridabad Property" as a separate segment "Real Estate". Revenue of this segment during the year was ₹ 3.49 Crores and profit before interest and tax was ₹ 2.42 Crores.

4. Future Outlook

India is the world's third largest power consumer and producer with installed power capacity of 356 GW (March, 2019). The 13th National Electricity plan target 479 GW of generation capacity, including 243 GW of thermal and 175 GW of renewable capacity.

Power demand is expected to grow at 6.5 – 6.8% CAGR in FY 19-23 versus 3.8 CAGR in FY 14-18, driven by high latent demand, rapid urbanization and increasing electricity access. The Government has undertaken programs to provide 24x7 power to all villages and households leading to increase in power demand.

5. Risk and Concerns

The cyclical nature of the power business has an obvious impact on conductor manufacturing Companies. Increasing competition in the domestic market with fixed price contracts may put pressure on the profitability of the Company. Delay in orders from state discoms and power utilities may impact performance for both the segments i.e conductor and insulator. Project delays from the customer's side may impact order book position. The volatility in prices of prime raw material i.e aluminum may impact on fixed price contracts.

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 continued its focus on enhancing revenue growth. Various actions in terms of cost reduction, value engineering, competitive sourcing and improving credit discipline have been undertaken. There has been a significant progress in the Industry.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

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 organization by systematic training for all employees and with career and succession plans in place. The total permanent employee's strength of the company was 445 as on 31.03.2019. The industrial relations in all Works remained cordial during the year.

8. Financial/ Operational performance:

Covered under the separate head of the Director Report.

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

Place: New Delhi
Date: 28th May 2019

Raghavendra Anant Mody
Chairman
(DIN: 03158072)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Opinion

We have audited the accompanying Standalone Financial Statements of **Hindusthan Urban Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, the Profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined in our report that there are no matter which is required to be described as key audit matter to be communicated in our report

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

The Company's Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

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

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone

INDEPENDENT AUDITOR'S REPORT (Contd.)

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

INDEPENDENT AUDITOR'S REPORT (Contd.)

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A As required by Section 143(3) of the Act, based on our audit we report that:

- a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- B** With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- C** 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, 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 litigations as at March 31, 2019 on its financial position under Note No. 31 of its standalone financial statements,
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses and
- 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

Place: New Delhi
Date: 28th May, 2019

(B.R. Goyal)
Partner
M.No. 12172

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure "A" referred to in the Independent Auditors Report to the members of **Hindusthan Urban Infrastructure Limited** on the Standalone Financial Statements for the year ended March 31, 2019, we report the following:

- 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, the Company has, granted unsecured loan to its subsidiary company covered in the register maintained under Section 189 of the Act. 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 Act in respect of making Investment, grants of Loans and providing guarantees and securities.
- v) The Company has not accepted any deposits from the public 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, 2019 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 ₹) (net of amount paid)	Period to which the amount relates (FY)	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Haryana	17,20,197	2003-04	Sales Tax Tribunal, Chandigarh
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	4,88,619	1994-95	Hon'ble High Court, Allahabad. Remanded to Assistant Commissioner (Assessment), Ghaziabad.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	9,25,200	2000-01	Hon'ble High Court, Allahabad
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	70,678	1984-85	Tribunal, Ghaziabad
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Excise, Guwahati	67,82,510	2012-13	Commissioner of Central Excise-(Appeal), Guwahati,
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Excise, Guwahati	28,52,394	2014-15	Commissioner of Central Excise-(Appeal), Guwahati,
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	1,73,73,201	2015-16	Appeal filed before Commissioner of VAT , Gwalior
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	14,81,400	2011-12	Appeal filed before Commissioner of ET Gwalior
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	GST & Central Excise, Khurda	20,55,175	2012-13 2014-15	Appeal filed with Commissioner (Appeals), GST & Central Excise against order of Commissioner (Audit)-GST & Central Excise
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	VAT, Khurda	2,86,973	2017-18	Appeal filed before STO CT & GST CIRCLE
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	73,92,174	2017-18	Appeal filed before STO CT & GST CIRCLE
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	GST & Central Excise, Khurda	3,64,182	2016-17	Superintendent of GST & Central Excise
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	2,74,43,798	2015-16	Appeal filed before STO CT & GST CIRCLE
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	2,92,61,576	2016-17	Appeal filed before STO CT & GST CIRCLE
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Bhopal	37,44,237	2014-15	Stay filed with Commissioner , Bhopal
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Bhopal	14,92,893	2015-16	Stay filed with Commissioner, Bhopal
Income Tax Department	Income Tax	1,48,860	2008-09 (AY)	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	1,64,980	2009-10 (AY)	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	59,106	2010-11 (AY)	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	6,41,55,425	2013-14 (AY)	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	12,71,693	2014-15 (AY)	CIT, Appeals, Kolkata
Income Tax Department	Income Tax	5,85,215	2015-16 (AY)	CIT, Appeals, Kolkata

Apart from these dues, the company has received demand of ₹ 6,69,27,117/- from income tax department related to Assessment Year 13-14 & 14-15, however the credit of advance income tax of ₹ 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 Act.
- xii) The Company is not a Nidhi Company and hence 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 information and explanations given to us and based on our examination of the records, the Company has made preferential allotment of shares during the year. The Company has complied with the requirement of Section 42 of the Act and the amount raised have been used for the purposes for which the funds were raised.
- 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

Place: New Delhi
Date: 28th May, 2019

(B.R. Goyal)
Partner
M.No. 12172

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED.

(Referred to in paragraph 1(A)(f) under ‘Report on other Legal and Regulatory Requirements’ section of our report of even date)

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 of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility For Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 were 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 standalone 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations Of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

For K.N. Gutgutia & Company
Chartered Accountants
FRN 304153E

Place: New Delhi
Date: 28th May, 2019

(B.R. Goyal)
Partner
M.No. 12172

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

				(₹ in Lakhs)
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	
I. ASSETS				
1. Non - current assets				
(a) Property, Plant and Equipment	2	18,606.16	21,101.18	
(b) Capital work - in - progress	3	12.21	377.08	
(c) Investment Properties	4	20,584.05	20,325.75	
(d) Other Intangible Assets	5	163.35	231.53	
(e) Financial assets				
(i) Investment	6	8,459.31	8,353.57	
(ii) Loans	10	5.66	-	
(iii) Other Financial Assets	11	24.07	228.44	
(f) Other non - current assets	13	871.03	900.41	
Total non - current assets		48,725.84	51,517.96	
2. Current assets				
(a) Inventories		7,344.97	6,580.92	
(b) Financial assets	7			
(i) Investment	6	-	309.29	
(ii) Trade receivables	8	21,325.13	20,435.21	
(iii) Cash and cash equivalents	9(I)	298.88	891.31	
(iv) Other bank balances	9(II)	248.44	239.65	
(v) Loans	10	1,714.72	20.49	
(vi) Other Financial Assets	11	72.25	18.95	
(c) Current Tax Assets (Net)	12	72.68	133.38	
(d) Other Current Assets	13	1,342.54	1,662.94	
Total current assets		32,419.61	30,292.14	
Total Assets		81,145.45	81,810.10	
II. EQUITY AND LIABILITIES				
1. EQUITY				
(a) Equity share capital	14	144.29	144.29	
(b) Other equity		44,945.95	40,387.70	
Total equity		45,090.24	40,531.99	
2. LIABILITIES				
(A) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	4,348.02	10,108.83	
(b) Provisions	18	502.10	519.68	
(c) Deferred tax liabilities (net)	19	7,151.81	3,847.18	
(d) Other Non-current liabilities	20	158.86	125.49	
Total non - current liabilities		12,160.79	14,601.18	
(B) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	7,281.79	5,328.79	
(ii) Trade payables				
(a) total outstanding dues of micro and small enterprises	16	525.53	65.96	
(b) total outstanding dues of creditors other than (ii) (a) above	16	14,011.98	15,547.18	
(iii) Other financial liabilities	17	1,125.79	1,268.63	
(b) Other current liabilities	20	630.94	3,965.22	
(c) Provisions	18	318.39	501.15	
Total current liabilities		23,894.42	26,676.93	
Total Equity & Liabilities		81,145.45	81,810.10	
Significant accounting policies	1			
Notes to the financial statements	2-45			

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

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and Whole Time Director

S.S. Bhuwania
(DIN: 00107171)
Vice Chairman and Managing Director

Place: New Delhi
Date: 28th May 2019

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

			(₹ in Lakhs)	
Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018	
I Revenue from operations	21	69,906.54	70,546.10	
II Other income	22	1,578.64	952.61	
III Total income (I + II)		71,485.18	71,498.71	
IV Expenses :				
Cost of Materials Consumed	23	51,394.91	46,526.35	
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(144.15)	(247.47)	
Excise Duty on sales		-	1,924.13	
Employee benefits expense	25	2,432.40	3,035.08	
Finance costs	26	3,222.38	3,757.44	
Depreciation and amortization expense	27	1,495.59	1,608.26	
Other expenses	28	12,243.25	15,226.71	
Total expenses		70,644.38	71,830.50	
V Profit / (Loss) before exceptional items and tax (III - IV)		840.80	(331.79)	
VI Exceptional items	30	91.63	(231.02)	
VII Profit/(Loss) before tax (V-VI)		749.17	(100.77)	
VIII Tax expense/(benefit)				
(1) Current tax		154.23	-	
(2) Deferred tax		372.37	(293.67)	
		526.60	(293.67)	
IX Profit / (Loss) for the year (VII - VIII)		222.57	192.90	
X Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	29	7.22	27.11	
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.41)	8.38	
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		4.81	35.49	
XI Total Comprehensive Income for the year (IX + X)		227.38	228.39	
XII Earnings per equity share:				
(1) Basic		15.43	13.37	
(2) Diluted		15.43	13.37	

Significant accounting policies
Notes to the financial statements

1
2-45

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

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and Whole Time Director

S.S. Bhuwania
(DIN: 00107171)
Vice Chairman and Managing Director

Place: New Delhi
Date: 28th May 2019

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

		(₹ in Lakhs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) Before Tax	749.17	(100.77)	
Adjustments for:			
Depreciation & amortisation expense	1,495.59	1,608.26	
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	(1.63)	0.83	
Finance Cost	3,222.38	3,757.44	
Provision for Liquidated Damages/ Bad Debts W/off	15.86	64.60	
Liability/Sundry Balance Written back	(609.60)	(80.24)	
Provision for Employee Benefits	(200.34)	(28.60)	
Re-measurement of defined benefit plans transferred to OCI	7.22	27.11	
Rental Income	(348.62)	(84.79)	
Exceptional Items	91.63	(231.02)	
Interest Income	(170.85)	(130.16)	
Dividend Income	(3.00)	(8.27)	
Profit on Sale of Property, Plant & Equipment	(2.84)	-	
Profit on Sale of Investment	(205.95)	(245.31)	
Gain on Mark to Market of Investments	-	(183.05)	
Deferred Government Grant transferred	(14.63)	(14.63)	
Operating Profit Before Working Capital Changes	4,024.39	4,351.40	
Adjustments for:			
(Increase)/Decrease in Trade Receivables	(905.97)	1,386.86	
(Increase)/Decrease in Loans and Other Assets	370.96	240.42	
(Increase)/Decrease in Inventories	(764.04)	(777.84)	
Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	(1,450.98)	2,946.17	
Cash Generated from Operations	1,274.36	8,147.01	
Direct Tax Paid (net of refund)	37.00	34.45	
Net Cash Inflow/(Outflow) from Operating Activities	1,237.36	8,112.56	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition / Purchase of PPE & Other Intangible Assets	(313.62)	(933.42)	
Sale Proceeds of Property, Plant & Equipment (PPE)	1,643.90	386.64	
Purchase of Investment Property	(267.73)	-	
Purchase of Investment	(11,050.00)	(3,420.00)	
Investment in Equity Share Capital in Subsidiary company	(600.00)	(1,983.94)	
Sale of Investments in shares / mutual funds	12,059.50	5,440.63	
Interest Income Received	114.81	170.20	
(Investment)/redemption in Term Deposit with bank as margin money (including unclaimed dividend)	195.58	132.02	
Dividend Income Received	3.00	8.27	
Rental Income	348.62	84.79	
Loan received back from Subsidiary	-	220.00	
Loan given to Subsidiary (net)	(1,701.00)	-	
Net Cash Inflow/(Outflow) from Investing Activities	433.06	105.19	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From / (Repayment) of Short Term Borrowings (net)	1,954.03	(2,656.87)	
Issue of Preference Share Capital	9,518.97	-	
Loan taken from /(repaid to) Related parties	(9,370.12)	(36.57)	
Repayment of Long term Borrowings	(1,163.02)	(1,174.19)	
Finance Cost Paid	(3,185.12)	(3,495.81)	
Dividend Paid (including DDT)	(17.59)	(18.24)	
Net Cash Inflow/(Outflow) from Financing Activities	(2,262.85)	(7,381.68)	
Net Increase/ (Decrease) in cash & cash equivalents	(592.43)	836.07	
Cash & cash equivalents at Beginning of the Year	891.31	55.24	
Cash & cash equivalents at End of the Year	298.88	891.31	
Components of cash & cash equivalents:			
- Balance with Banks : On current accounts	30.45	884.30	
- Cash on hand	4.67	7.01	
- Term Deposits with Banks (with maturity of less than 3 months)	263.76	-	
	298.88	891.31	

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

Significant accounting policies

Notes to the financial statements

1
2-45

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

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and Whole Time Director

S.S. Bhuwania
(DIN: 00107171)
Vice Chairman and Managing Director

Place: New Delhi
Date: 28th May 2019

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A Equity Share Capital

(₹ in Lakhs)

Particulars	Issued		Subscribed & fully paid up	
Equity shares of Rs 10 each	No of Shares	Amount	No of Shares	Amount
As at March 31, 2018	1443000	144.30	1442885	144.29
As at March 31, 2019	1443000	144.30	1442885	144.29

B Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Equity Component of	Total
	Capital Redemption Reserve	General Reserve	Surplus / (Deficit)	Remeasurement of Defined Benefit Plans	Redeemable Preference Share Capital (Net of Deferred Tax)	Total
Balance as at 01.04.2017 (A)	26.44	39,457.01	659.53	(47.50)		40,095.48
Profit for the year	-	-	192.90	-		192.90
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	35.49		35.49
Total Comprehensive Income for the year 2017-18 (B)	-	-	192.90	35.49		228.39
Increase / Reductions during the year						
Dividend on Equity Paid	-	-	(14.43)	-		(14.43)
Tax on Dividend	-	-	(2.94)	-		(2.94)
Other Adjustments of Ind AS	-	81.20	-	-		81.20
Transferred to / (from) - Surplus / (Deficit)	-	-	-	-		-
Total (C)	-	81.20	(17.37)	-		63.83
Balance as at 31.03.2018 (A)+(B)+(C) (D)	26.44	39,538.21	835.06	(12.01)		40,387.70
Profit for the year	-	-	222.57	-		222.57
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	4.81		4.81
Total Comprehensive Income for the year 2018-19 (E)	-	-	222.57	4.81		227.38
Increase / Reductions during the year						
Deferred Tax on Above	-	-	-	-	7,278.08 (2,429.71)	7,278.08 (2,429.71)
Dividend on Equity Paid	-	-	(14.43)	-		(14.43)
Tax on Dividend	-	-	(2.94)	-		(2.94)
Deferred Tax on IndAS Provisions adjusted	-	-	(500.13)	-		(500.13)
Transferred to / (from) - Surplus / (Deficit)	-	-	-	-		-
Total (F)	-	-	(517.50)	-	4,848.37	4,330.87
Balance as at 31.03.2019 (D)+(E)+(F) (G)	26.44	39,538.21	540.13	(7.20)	4,848.37	44,945.95

Significant accounting policies
Notes to the financial statements

1
2-45

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

For and on behalf of the Board of directors of
Hindustan 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

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and Whole Time Director

S.S. Bhuwania
(DIN: 00107171)
Vice Chairman and Managing Director

Place: New Delhi
Date: 28th May 2019

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

DETAILS RELATING TO PREFERENCE SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised		
9,75,00,000 (31 March 2018 : Nil) Preference Shares of ₹ 10/-each.	9,750.00	-
Issued		
9,51,89,700 (31 March 2018 : Nil) Preference Shares of ₹ 10/-each.	9,518.97	-
Subscribed & Fully Paid up		
9,51,89,700 (31 March 2018 : Nil) Preference Shares of ₹ 10/-each.	9,518.97	-
Total	9,518.97	-

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	-	-
Add:- Addition during the Year	9,51,89,700	9,518.97	-	-
Less:- Deletion during the Year	-	-	-	-
Closing Balance	9,51,89,700	9,518.97	-	-

(b) Terms/rights attached to Preference shares

- The Issue of 9,51,89,700, 1% Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10/- each at par has been made by utilising the loan amounting ₹ 9518.97 Lakhs outstanding as on July 31, 2018.
- The NCPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to repayment of capital.
- NCPS shall be non-participating in the surplus funds.
- NCPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has repaid, on winding up of the Company.
- NCPS shall carry 1% dividend.
- NCPS shall not be convertible into equity shares.
- NCPS shall not carry any voting rights except as provided under Section 47(2) of the Companies Act, 2013.
- NCPS shall be redeemable at the the end of 20 years from the date of issue and shall be redeemed at par of ₹ 10/- per NCPS.

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

	As at 31.03.2019		As at 31.03.2018	
	No. of Pref Shares	Percentage Holding	No. of Pref Shares	Percentage Holding
Hindusthan Engineering & Industries Ltd.	9,51,89,700	100.00%	-	-

Equity Component of Redeemable Preference Shares : Redeemable Non -Cumulative Non -Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Equity Component of such shares as per Ind -AS 32 is ₹ 7278.08 Lakhs & Deferred Tax on above is ₹ 2429.71 Lakhs as on 31.03.2019. Equity Component (net of Tax) amounting ₹ 4848.37 Lakhs is considered in Other Equity.

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, Barakhambha 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 28th May, 2019.

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 as amended.

(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.

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated

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 adjustments 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 financial 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, 1st 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 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

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

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 Operating Segment

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 occurring 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 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided over its useful life using the written down value method

1.24 Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

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

Ind AS 116 :

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

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 01.04.2017	1,745.60	154.13	7,982.12	23,644.45	56.87	179.71	413.50	485.57	34,661.95
Additions	-	-	25.38	799.22	16.58	7.00	3.97	8.42	860.57
Disposals	-	-	-	(1,356.71)	(1.00)	(7.28)	(5.50)	(26.87)	(1,397.36)
As at 31.03.2018	1,745.60	154.13	8,007.50	23,086.96	72.45	179.44	411.96	467.12	34,125.16
As at 01.04.2018	1,745.60	154.13	8,007.50	23,086.96	72.45	179.44	411.96	467.12	34,125.16
Additions	-	-	2.02	544.74	5.63	10.59	30.63	67.15	660.76
Disposals	-	(50.47)	-	(3800.84)	-	(0.83)	(0.58)	(59.93)	(3912.65)
Other adjustments	-	-	(2.12)	-	-	-	(5.55)	-	(7.67)
As at 31.03.2019	1,745.60	103.66	8,007.40	19,830.86	78.08	189.20	436.46	474.34	30,865.60
Depreciation									
As at 01.04.2017	-	36.63	1,783.56	10,467.03	43.66	104.19	69.23	225.80	12,730.10
Charge for the year	-	3.63	319.01	1,077.93	6.69	24.07	38.08	51.59	1,521.00
Disposals	-	-	-	(1,214.66)	(0.93)	(6.90)	(4.38)	(14.88)	(1,241.75)
Adjustments	-	-	-	14.63	-	-	-	-	14.63
As at 31.03.2018	-	40.26	2,102.57	10,344.93	49.42	121.36	102.93	262.51	13,023.98
As at 01.04.2018	-	40.26	2,102.56	10,344.94	49.42	121.36	102.93	262.51	13,023.98
Charge for the year	-	3.05	288.46	1,008.12	7.90	23.26	39.61	45.13	1,415.53
Disposals	-	(21.11)	-	(2,112.07)	-	(0.78)	(0.44)	(45.55)	(2,179.94)
Adjustments	-	-	(0.12)	-	-	-	-	-	(0.12)
As at 31.03.2019	-	22.20	2,390.90	9,240.99	57.32	143.84	142.10	262.09	12,259.45
Net Block									
As at 31.03.2018	1,745.60	113.87	5,904.93	12,742.03	23.03	58.08	309.03	204.61	21,101.18
As at 31.03.2019	1,745.60	81.46	5,616.50	10,589.87	20.76	45.36	294.36	212.25	18,606.16

3 Capital Work in Progress

Particulars	Capital Work in Progress
As at 31.03.2018	377.08
As at 31.03.2019	12.21

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

4 Investment Properties

Particulars	Land at Banera	Land at Bangalore (including Site development)	Land at Khurda	Land at Faridabad	Building at Faridabad	Total
Gross Block (At Cost)						
As at 01.04.2017	0.91	1,144.21	-	19,046.00	456.67	20,647.79
Additions	-	-	-	-	-	-
Other adjustments	-	(21.00)	-	-	-	(21.00)
As at 31.03.2018	0.91	1,123.21	-	19,046.00	456.67	20,626.79
As at 01.04.2018	0.91	1,123.21	-	19,046.00	456.67	20,626.79
Additions	-	-	56.54	-	211.19	267.73
Other adjustments	-	-	-	-	2.12	2.12
As at 31.03.2019	0.91	1,123.21	56.54	19,046.00	669.98	20,896.64
Depreciation						
As at 01.04.2017	-	-	-	-	292.04	292.04
Charge for the year	-	-	-	-	9.00	9.00
As at 31.03.2018	-	-	-	-	301.04	301.04
As at 01.04.2018	-	-	-	-	301.04	301.04
Charge for the year	-	-	-	-	11.43	11.43
Other adjustments	-	-	-	-	0.12	0.12
As at 31.03.2019	-	-	-	-	312.59	312.59
Net Block						
As at 31.03.2018	0.91	1,123.21	-	19,046.00	155.63	20,325.75
As at 31.03.2019	0.91	1,123.21	56.54	19,046.00	357.39	20,584.05

	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from investment properties	348.62	84.79
Direct operating expenses (including repairs and maintenance) generating rental income	95.59	91.60
Income arising from investment properties before depreciation	253.03	(6.81)
Depreciation	11.43	9.00
Income arising from investment properties (Net)	241.60	(15.81)

Premises given on operating lease:

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the Balance Sheet date are as under:

	As at 31.03.2019	As at 31.03.2018
For a period not later than one year	444.46	348.62
For a period later than one year and not later than five years	405.90	850.36
For a period later than five years	-	-
Total	850.36	1,198.98

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

5 Other Intangible Assets

Particulars	Computer softwares	Product Development	Total
Gross Block (at cost or revalued amount)			
As at 01.04.2017	196.12	135.00	331.12
Additions	9.53	-	9.53
As at 31.03.2018	205.65	135.00	340.65
As at 01.04.2018	205.65	135.00	340.65
Additions	0.45	-	0.45
Disposals	-	-	-
As at 31.03.2019	206.10	135.00	341.10
Amortization			
As at 01.04.2017	39.17	6.32	45.49
Charge for the year	37.98	25.65	63.63
Disposals	-	-	-
As at 31.03.2018	77.15	31.97	109.12
As at 01.04.2018	77.15	31.97	109.12
Charge for the year	41.18	27.45	68.63
Disposals	-	-	-
As at 31.03.2019	118.33	59.42	177.75
Net Block			
As at 31.03.2018	128.50	103.03	231.53
As at 31.03.2019	87.77	75.58	163.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

6 Financial Assets: Investments

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-Current	Current	Non-Current
Investments in Equity Shares				
a) Quoted Equity Shares (Measured at FVTPL)				
Reliance Industries Ltd.		-		441.40
Ballarpur Industries Ltd.		-		19.92
		-		461.32
b) Unquoted Equity Shares (Measured at Cost)				
Subsidiary Companies				
Hindusthan Speciality Chemicals Ltd.		8,459.31		7,859.31
Hindusthan Vidyut Products Ltd.		-		27.94
Hindusthan Projects Ltd.		-		5.00
		8,459.31		7,892.25
c) Mutual Funds: Quoted (Measured at FVTPL)				
Aditya Birla Sunlife Cash Plus	-	-	309.29	-
Total	-	8,459.31	309.29	8,353.57

Particulars	Face Value Per Unit	As at 31.03.2019		As at 31.03.2018	
		No. of Units	Amount	No. of Units	Amount
Aggregate amount of quoted investments - At Cost					
Investments in Equity Shares - Others					
Reliance Industries Ltd. (₹ 10 each)	10	-	-	50,000	267.95
Ballarpur Industries Ltd. (₹ 2 each)		-	-	159,615	53.31
Aggregate amount of quoted investments - At Cost			-		321.26
Investments in Mutual Funds: Quoted					
Aditya Birla Sunlife Cash Plus			-	110731	309.29
Aggregate amount of quoted investments - At Market value			-		770.61
Aggregate amount of unquoted investments					
Investments in Equity Shares - Subsidiary Company					
Hindusthan Speciality Chemicals Ltd. (₹ 10 each)	10	8,45,91,382	8,459.31	7,85,91,382	7,859.31
Hindusthan Vidyut Products Ltd. (₹ 10 each)	10	-	-	2,75,000	27.50
Hindusthan Vidyut Products Ltd. (₹ 1 paid up)	10	-	-	44,000	0.44
Hindusthan Projects Ltd. (₹ 10 each)		-	-	50,000	5.00
			8,459.31		7,892.25
Aggregate amount of unquoted investments			8,459.31		7,892.25

7 Inventories

Particulars	As at 31.03.2019	As at 31.03.2018
(I) Raw materials - In hand	1,869.99	1,500.63
- In transit	-	11.69
(II) Work-in-Progress	2,292.39	2,162.30
(III) Finished Goods	1,412.91	1,405.89
(IV) Stores & Spares and Packing	1,715.30	1,453.07
(V) Scrap	54.38	47.34
Total	7,344.97	6,580.92

(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 is ₹ 1750 Lakhs (Prev year - ₹ 1750 Lakhs) for Work in Progress & ₹ 58.53 Lakhs (Prev year - ₹ 218 Lakhs) for Stores & Spares and Packing.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

8 Financial Assets: Trade Receivables

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Trade receivables considered good - Secured			1,353.88	1,395.85
Trade receivables considered good - Unsecured	-	-	19,981.53	20,173.55
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables - credit impaired	-	-	-	-
Total			21,335.41	21,569.40
Less: Loss allowance			(10.28)	(1,134.19)
Total	-	-	21,325.13	20,435.21

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

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Cash and Bank Balances				
(I) Cash & cash equivalents				
(i) Balance with Banks				
Current Accounts	-	-	30.45	884.30
(ii) Cash on Hand	-	-	4.67	7.01
(iii) Deposits with Banks held as Margin money/ Security (Maturity of less than three months)	-	-	263.76	-
	-	-	298.88	891.31
(II) Other Bank Balances				
Earmarked Balances with Banks - Unclaimed Dividend			3.96	4.19
Deposits with Banks held as Margin money/ Security (Maturity of more than 3 months and upto 12 months)	-	-	244.48	235.46
	-	-	248.44	239.65
Total	-	-	547.32	1,130.96

10 Financial Assets: Loans

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Loans to related parties				
Hindusthan Speciality Chemicals Ltd.	-	-	1,701.00	-
Loans to employees	5.66	-	13.72	20.49
Total	5.66	-	1,714.72	20.49
Particulars	As at 31.03.2019		As at 31.03.2019	
Loans considered good - Secured	-		-	
Loans considered good - Unsecured	1,720.38		20.49	
Loans which have significant increase in credit risk	-		-	
Loans - credit impaired	-		-	
Total	1,720.38		20.49	

11 Financial Assets: Others

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good				
Interest accrued but not due	-	-	72.25	16.20
Mark to Market Balance against outstanding forward contract	-	-	-	2.75
Deposits with Banks held as Margin money/ Security (Maturity of more than twelve months)	24.07	228.44	-	-
Total	24.07	228.44	72.25	18.95

12 Current Tax Assets (Net)

Particulars	As at 31.03.2019	As at 01.04.2018
Advance Payment of Tax / TDS / TCS (Net of Provisions)	72.68	133.38
Total	72.68	133.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

13 Other Assets

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(I) Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	30.50	47.83	-
(II) Security Deposits				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
(A) (i) Sales Tax (Under Litigation)	93.47	77.69	-	-
(ii) Municipal Corporation (Under Litigation)	5.15	5.14	-	-
(iii) Central Excise & Custom (Under Litigation)	41.38	49.36	-	-
(iv) Electricity Board (Under Litigation)	27.91	27.91	-	-
(B) Others - I) Tender	86.16	115.32	-	-
II) Electricity	350.83	303.69	-	-
III) Others	94.83	129.63	-	-
Less: Provision for doubtful deposits	-	(23.19)	-	-
(III) Earnest Money Deposit - Lien Fixed Deposit				
- Others	122.61	153.61	-	-
(IV) Deposit/ Credit with Government Authorities				
GST, Custom, Excise & Service Tax	-	-	661.72	776.55
Sales tax	-	-	61.34	67.88
(V) Advances to Suppliers				
Less: Provision for doubtful advances	-	-	230.80	636.86
			(3.90)	(70.63)
(VI) Employees				
Less: Provision for doubtful advances	-	-	8.82	10.08
			-	(2.67)
(VII) Other Advances				
Others	48.69	30.75	335.93	244.87
Total	871.03	900.41	1,342.54	1,662.94

14 Equity Share Capital

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised		
25,00,000 (31 March 2018 : 25,00,000) Equity Shares of ₹ 10/-each.	250.00	250.00
Issued		
14,43,000 (31 March 2018 : 14,43,000) Equity Shares of ₹ 10/-each.	144.30	144.30
Subscribed & Fully Paid up		
14,42,885 (31 March 2018 : 14,42,885) Equity Shares of ₹ 10/-each.	144.29	144.29
Total	144.29	144.29

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of Shares	Amount	Amount	No of Shares
Opening Balance	14,42,885	144.29	14,42,885	144.29
Add:- Addition during the Year	-	-	-	-
Less:- Deletion during the Year	-	-	-	-
Closing Balance	14,42,885	144.29	14,42,885	144.29

(b) Terms/rights attached to equity shares

The Company has equity shares having par value of ₹ 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. 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 past five years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

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

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Equity Shares	Percentage Holding	No. of Equity Shares	Percentage Holding
Hindusthan Consultancy & Services Ltd.	7,08,825	49.12%	7,08,825	49.12%
Carbo Industrial Holdings Ltd	1,32,820	9.21%	1,32,820	9.21%
Promain Ltd	1,17,900	8.17%	1,17,900	8.17%

15 Financial Liabilities: Borrowings

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Secured Loans from Banks:				
a) - Term Loan (Rupee Loan)	3,136.64	3,559.03	-	-
Less:- Current Maturities	(1,079.70)	(1,021.19)	-	-
	2,056.94	2,537.84	-	-
b) - Term Loan (FCLR Loan)	-	690.63	-	-
Less:- Current Maturities	-	(192.84)	-	-
	-	497.79	-	-
c) - Vehicle Loan (Rupee Loan)	3.08	53.07	-	-
Less:- Current Maturities	(3.08)	(48.67)	-	-
	-	4.40	-	-
Unsecured Loans				
From Related parties (Unsecured)	-	7,068.80	-	-
	-	7,068.80	-	-
d) Liability Component of Redeemable Preference Shares	2,291.08			
	2,291.08			
e) Working Capital Facilities from Banks- Secured(Repayable on Demand)				
Foreign Currency Loan				
PCFC Loan	-	-	-	391.07
Buyer's Credit Loan	-	-	-	-
	-	-	-	391.07
Rupee loan				
Cash Credit	-	-	7,281.79	4,937.72
	-	-	7,281.79	4,937.72
Total	4,348.02	10,108.83	7,281.79	5,328.79

a) Term Loan (Rupee Loan)

- (i) **Type of Loan :** 10.85% p.a.Term Loan Canara Bank, New Delhi of ₹1295 Lakhs 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.

- (ii) **Type of Loan :** 10.85% p.a.Term loan Canara Bank, New Delhi of ₹ 4500 Lakhs is sanctioned on 14.08.2015 by Canara Bank, New Delhi for our Khurda Projects against which ₹ 4064.34 Lakhs 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.

- (iii) **Type of Loan :** 15.05% p.a. Indian rupee term loan from State Bank of India.

Nature of Security : Secured by 1st Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt- Raizen, M.P.

Terms of Repayment: The loan is repayable in 18 quarterly instalment of ₹ 60.93 Lakhs starting from Sep'2016.

- b) **Term Loan (FCLR Loan) - Nil as on 31.03.2019**

- c) **Type of Loan :** 10.14% p.a. Vehicle loan from ICICI Bank of ₹ 209.30 Lakhs.

Terms of Repayment: The said loan is repayable in 59 equal monthly instalments starting from 10.06.2014.

- d) **Liability Component of Redeemable Preference Shares :**

Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Present Value of Principal amount of such shares at the end of 20 years considered as Liability Component as per Ind-AS 32 using discount rate @ 7.50% is ₹ 2240.89 Lakhs. Interest expense recognised during the year as per Ind-AS 32 is ₹ 50.19 Lakhs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

e) Working Capital Facilities for Banks :

- (i) **Type of Loan:** Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is ₹ 2496.21 Lakhs. (Previous year - ₹ 391.07 Lakhs)

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 & 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.

- (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 ₹ 4785.57 Lakhs (31.03.2018 - ₹ 4937.72 Lakhs)

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 31.03.2019	As at 31.03.2018
Total outstanding dues of micro and small enterprises	525.53	65.96
Total outstanding dues of creditors other than micro and small enterprises	14,011.98	15,547.18
Total	14,537.51	15,613.14

*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

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long term Debt (Refer note 15)				
10.85% p.a. Term Loan from a Bank - Rupee Loan	-	-	835.98	970.31
10.14% p.a. ICICI Bank Term Loan - Car Loan	-	-	3.08	48.67
15.05 % Bank-SBI Term Loan -INR	-	-	243.72	50.88
6.186 % Bank-SBI Term Loan -FCNR	-	-	-	192.84
Interest accrued but not due on borrowings	-	-	37.26	-
Unclaimed dividend	-	-	3.96	4.19
Creditors For Capital Goods	-	-	1.79	1.74
Total	-	-	1,125.79	1,268.63

18 Provisions

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits	500.86	518.44	318.39	501.15
Contract Loss provision	1.24	1.24	-	-
Total	502.10	519.68	318.39	501.15

19 Deferred tax liabilities (net)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred tax liabilities on:		
- Fixed assets (PPE) U/s-32	7,385.26	7,198.22
- Equity Component of Preference Share Capital	2,429.71	-
	9,814.97	7,198.22
Deferred tax assets on:		
- Bonus, gratuity & leave salary U/s-43B	230.29	213.24
- Provision for doubtful debts U/s-36(1)(vii)	3.43	392.54
- Business loss / Un Absorbed Depreciation U/s-72	877.57	1,079.96
- Other Temporary Differences	647.89	758.91
- Other Comprehensive Income	5.97	8.38
	1,765.15	2,453.03
MAT Credit Entitlement	898.01	898.01
Net deferred tax Liabilities	7,151.81	3,847.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

20 Other Liabilities

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Advances from customers	-	-	224.18	357.81
Other Payable to related party (HEIL)	-	-	9.29	9.29
Interest Payable to related party (HEIL)	-	-	-	2,301.32
Deferred Sales Tax Liability	-	4.70	-	100.00
Interest on Sales tax Liability	-	-	128.28	128.28
Deferred Government Grants	71.90	86.53	14.63	14.63
Deferred Security Deposit (Rent)	7.31	-	8.72	-
Statutory Liabilities	-	-	-	-
- Income Tax (TDS)	-	-	35.45	112.11
- GST/Excise Duty	-	-	84.94	257.05
- Others	-	-	20.27	545.21
Other Deposits : Trade/Service deposits	79.65	34.26	105.18	139.52
Total	158.86	125.49	630.94	3,965.22

21 Revenue from operations

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Sale of products		
(I) Conductors	49,340.08	48,022.17
(II) Power Generation Sales	117.64	330.63
(III) Insulators	19,936.88	21,513.31
	69,394.60	69,866.11
Other operating revenue		
(I) Scrap Sales	434.14	429.07
(II) Export Incentives	41.73	43.71
(III) Sales Tax/Excise/GST Benefit	36.07	207.21
	511.94	679.99
Revenue from Operations (Gross)	69,906.54	70,546.10

22 Other income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(A) INTEREST INCOME		
From FDR's	29.26	35.17
From Customers	70.33	31.10
From Related Parties	54.81	45.21
From Others	16.45	18.68
(B) DIVIDEND INCOME	3.00	8.27
(C) NET GAIN ON INVESTMENT		
Gain on Sale Of Investment measured at FVTPL	205.95	245.31
Gain arising On Investment measured at FVTPL (Mark to Market Gain)	-	183.05
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	106.39	103.79
Claims Received (Net)	19.72	4.62
Profit on Sale of Property, Plant & Equipment	2.84	-
Liabilities No Longer Required & Sundry Credit Balance Written Back	609.60	80.24
Rental Income	348.62	84.79
Entry Tax Refund	111.67	109.63
On Exchange difference to the extent considered as an adjustment to borrowing cost	-	2.75
Total	1,578.64	952.61
Total Revenue	71,485.18	71,498.71

23 Cost of Materials Consumed

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Raw Material Consumed	51,394.91	46,526.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Inventories at the beginning of the year		
Finished Goods	1,405.89	1,149.87
Work-In-Progress	2,162.30	2,149.69
Scrap	47.34	68.50
	3,615.53	3,368.06
Inventories at the end of the year		
Finished Goods	1,412.91	1,405.89
Work-In-Progress	2,292.39	2,162.30
Scrap	54.38	47.34
	3,759.68	3,615.53
Total	(144.15)	(247.47)

25 Employee benefits expense

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Salaries & wages	2,256.73	2,825.07
Contribution to provident & other funds	129.99	170.05
Staff & Workmen welfare expenses	45.68	39.96
Total	2,432.40	3,035.08

26 Finance costs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(I) INTEREST		
On Term Loan	411.42	561.87
On Working Capital Borrowings	2,169.32	2,249.76
On Exchange difference to the extent considered as as adjustment to borrowing cost	24.74	5.07
On Liability Component of Redeemable Preference Share Capital	50.19	-
On Others	173.81	494.41
	2,829.48	3,311.11
(2) OTHER BORROWING COST		
Bank Charges	392.90	446.33
Total	3,222.38	3,757.44

27 Depreciation and amortization expense

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Depreciation of property, plant & equipment	1,415.53	1,535.63
Depreciation on Investment Properties	11.43	9.00
Amortization of intangible assets	68.63	63.63
Total	1,495.59	1,608.26

28 Other expenses

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
MANUFACTURING EXPENSES		
(i) Stores & Spares	1,353.58	2,307.89
(ii) Packing & Forwarding Expenses (Net)	1,477.59	2,414.91
(iii) Power & Fuel	5,327.41	5,762.87
(iv) Repairs to Building	59.02	158.06
(v) Repairs to Machinery	226.91	388.09
(vi) Jobs on Contract	2,662.02	3,175.14
(vii) Increase/(Decrease) in Excise Duty & Cess on Inventories	-	(127.76)
SELLING AND ADMINISTRATION		
(i) Rent	31.19	40.08
(ii) Insurance	30.59	57.39
(iii) Rates & Taxes	50.74	35.87
(iv) Repairs - Others	88.94	96.44
(v) Directors Meeting Fees	7.60	5.31
(vi) Payment to Auditors	5.17	4.77
(vii) Charity & Donation	-	0.70
(viii) Brokerage & Commission	92.78	69.79
(ix) Bad Debts Written off	15.86	64.60
(x) Miscellaneous Expenses	813.85	772.56
Total	12,243.25	15,226.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

29 Other Comprehensive Income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	7.22	27.11
	7.22	27.11
Items that will be reclassified to profit or loss		
	-	-
Total	7.22	27.11

30 Exceptional items

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit/(Loss) on Sale of Property, Plant & Equipment	(91.63)	231.02
Total	(91.63)	231.02

31 Contingent Liabilities & Commitments

Particulars	As at March 31 2019	As at March 31 2018
(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 (Partly Owned Subsidiary), for secured financial facilities	18,180.00	18,180.00
Hindusthan Engineering Industries Ltd (Group company), under sales tax, excise, custom etc	572.24	607.24
(b) Outstanding guarantees furnished by banks on behalf of the company	13,612.57	17,927.42
(c) Outstanding letters of credit furnished by banks on behalf of the company	14,963.75	13,329.87
(B) Claims against Company, disputed by the Company, not acknowledged as debt:		
(a) Income Tax demand under appeal *	-	60.36
(b) Excise Duty/GST show cause notices/demands under appeal	125.81	615.23
(c) Claims against the Company for Sales/Purchase Tax/VAT	1,304.60	509.24
(d) Claims against the Company for Labour Cases/MCF & Other under litigation	239.82	243.82
* Apart from these liabilities, the company has received demand of ₹ 669.27 Lakhs from Income Tax department related to assessment year 13-14 & 14-15 however the credit of advance Income tax of ₹ 466 Lakhs 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)	-	-
(B) Other Commitments:		
(i) Surety Bond given to Custom & Excise/JDGFT	315.00	315.00
(ii) Sales order to be executed against Government and Private Contracts	40,035.98	75,799.39
(iii) Liability in respect of sales bills discounted with banks/NBFC's	8,797.23	4,649.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

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 2019. 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 2019	As at March 31 2018
Principal amount due and remaining unpaid to any supplier at the end of the each accounting year	525.53	65.96
The amount of interest paid by the buyer in term of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006), alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year, and	-	-
The amount of further interest remaining due and payable in succeeding year, until such interest when the interest dues above are actually paid to the small enterprises, for the purpose of disallowances on account of deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	-	-

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, 2019	As at March 31, 2018
Contribution to Defined Contribution Plan, recognized for the year are as under:		
Employer's Contribution to Provident Fund	50.70	62.16
Employer's Contribution to Pension Fund	42.79	51.57
Employer's-ESI Contribution	36.50	38.90
Total	129.99	152.63

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)	
	2018-19	2017-18	2018-19	2017-18
Net expenses recognised during the year 2018-19				
Current Service Cost	13.03	13.14	28.79	28.95
Interest Cost	5.33	6.10	41.87	42.26
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	(2.27)	(12.52)	(7.88)	(27.11)
Past Service Cost	-	-	-	17.86
Net benefit expenses	16.10	6.72	62.78	61.96

Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2019

Present Value of Defined Benefit Obligation	76.54	76.08	583.18	576.62
Fair Value of plan assets	-	-	-	-
Net Liabilities recognised in Balance Sheet	(76.54)	(76.08)	(583.18)	(576.62)

Change in the Present value of obligation over the year ended 31st March, 2019

Present Value of Defined Benefit Obligation as on 1st April, 2018	76.08	84.93	576.62	586.37
Interest Cost	5.33	6.10	41.87	42.26
Past Service Cost	-	-	-	17.86
Current Service Cost	13.04	13.14	28.80	28.95
Benefits Paid	(15.64)	(15.57)	(56.23)	(71.71)
Actuarial (Gain) / loss on obligation	(2.27)	(12.52)	(7.88)	(27.11)
Present Value of Defined Benefit Obligation as on 31st March, 2019	76.54	76.08	583.18	576.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Change in Fair value of Plan Assets

Fair Value of plan assets as on 01.04.2018

Actual return on plan assets

Contribution

Benefits paid

Fair Value of plan assets as on 31.03.2019

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Other Comprehensive Income

Actuarial (gains) / losses

change in demographic assumptions

change in financial assumptions

experience variance (i.e. Actual experience vs assumptions)

others

Return on plan assets, excluding amount recognised in net interest expense

Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of

asset ceiling

Components of defined benefit costs recognised in other comprehensive income

	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2018-19	2017-18	2018-19	2017-18
change in demographic assumptions	-	-	-	-
change in financial assumptions	(6.68)	1.85	(9.33)	(3.60)
experience variance (i.e. Actual experience vs assumptions)	4.41	(14.37)	1.45	(23.51)
others	-	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	(2.27)	(12.52)	(7.88)	(27.11)

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)	
		2018-19	2017-18	2018-19	2017-18
Financial Assumptions					
Discount Rate	Conductor	7.56%	7.71%	7.56%	7.71%
(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	7.10%	7.60%	7.10%	7.60%
Salary increase	Conductor	5.00%	5.00%	5.00%	5.00%
(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%
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)
Impact of the change in discount rate		
Present Value of Obligation at the end of the period	2018-19 76.54	2018-19 583.18
Impact due to increase of 0.50 %/1.00%	(3.63)	(20.89)
Impact due to decrease of 0.50 %/1.00%	4.17	22.75
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	76.54	583.18
Impact due to increase of 0.50 %/1.00%	4.23	23.02
Impact due to decrease of 0.50 %/1.00%	(3.73)	(21.49)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

The defined benefit obligations shall mature after the end of reporting period is as follows:	Leave Encashment (Non-Funded) 2018-19	Gratuity (Non-Funded) 2018-19
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	16.64	144.62
1 to 6 years	32.13	185.20
More than 6 years	38.22	470.02

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. (Partly Owned Subsidiary Company)
Hindusthan Vidyut Products Ltd. (Wholly Owned Subsidiary Company till 16.11.2018)
Hindusthan Projects Ltd. (Wholly Owned Subsidiary Company till 03.12.2018)

Director(s)/ Key Managerial Personnel :

Mr Raghavendra Anant Mody, Chairman & Whole Time Director
Mr Shyam Sunder Bhuwania, Vice Chairman & Managing Director
Mr Deepak Kejriwal, Whole Time Director & CFO
Mr Murari Lal Birmiwala, Senior Vice President Finance & Company Secretary
Mr Vivek Dayaram Kohli, Director (till 30.10.2018)

Relatives of Director(s)/Key Managerial Personnel :

Mrs Sanchita Mody
Mrs Nirmala Bhuwania

Others

Hindusthan Vidyut Products Ltd Employees Provident Fund Trust
Hindusthan Engineering & Industries Ltd.
Promain Ltd.
Mody Education Foundation

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 31.03.2019	Year ended 31.03.2018
Sale of capital goods		
Hindusthan Engineering & Industries Ltd.	-	5.57
Mody Education Foundation	0.12	1.34
Purchase of Misc Items		
Hindusthan Engineering & Industries Ltd.	-	4.10
Rent paid /payable		
Promain Limited	24.78	24.62
Mrs Nirmala Bhuwania	-	2.70
Mr Krishan Kumar Birmiwala	-	0.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Mrs Shilpi Birmiwala	-	0.45
Mrs Madhu Garg	-	0.32
Mrs Sumita Kejriwal	-	1.46
Mr Behari Lal Kejriwal	-	0.45
Hindusthan Engineering & Industries Ltd	0.14	0.14
Professional Fee paid/payable		
Mr Raghavendra Anant Mody	-	2.50
Dividend Paid :		
Hindusthan Consultancy & Services Ltd.	7.09	7.09
Reimbursement of Expenses Received /Receivable		
Hindusthan Speciality Chemicals Ltd	32.28	4.71
Reimbursement of Expenses Paid /Payable		
Hindusthan Engineering & Industries Ltd.	3.49	-
Brand Fee Paid		
Hindusthan Consultancy & Services Ltd.	5.00	-
Provident Fund Deposit (Paid/Payable)		
Hindusthan Vidyut Products Ltd Employees Provident Fund Trust	86.94	97.29
Interest Received/Receivable		
Hindusthan Speciality Chemicals Ltd	54.81	45.21
Interest Paid / Payable		
Hindusthan Engineering & Industries Ltd	2,466.71	473.21
Hindusthan Consultancy & Services Ltd.	-	18.08
Loan - Received		
Hindusthan Consultancy & Services Ltd.	-	1,500.00
Loan - Repaid		
Hindusthan Engineering & Industries Ltd	7,068.80	36.57
Hindusthan Consultancy & Services Ltd.	-	1,500.00
Loan - Given		
Hindusthan Speciality Chemicals Ltd	2,264.00	901.20
Loan - Received back		
Hindusthan Speciality Chemicals Ltd	563.00	1,121.20
Investment made during the year in Equity Shares of Subsidiary Company		
Hindusthan Speciality Chemicals Ltd.	600.00	1,983.94
Sale/Closure of Subsidiary Companies		
Hindusthan Vidyut Products Ltd.	27.94	-
Hindusthan Projects Ltd.	5.00	-
Issue of Preference Shares in Lieu of Loan Payable (including Interest)		
Hindusthan Engineering & Industries Ltd	9,518.97	-
Security Amount Received/Given for Appointment of Director		
Promain Ltd.	1.00	-
Hindusthan Speciality Chemicals Ltd	1.00	-
Security Amount Refund given/received for Appointment of Director		
Promain Ltd.	1.00	-
Hindusthan Speciality Chemicals Ltd	1.00	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

ii) With Directors/Key Managerial Personnel

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Remuneration to Key Managerial Personnel:		
Mr Raghavendra Anant Mody	57.33	36.03
Mr Shyam Sunder Bhuwania	64.76	102.40
Mr Vivek Dayaram Kohli	-	112.00
Mr Anil Kumar Chandani	-	42.71
Mr Deepak Kejriwal	47.07	42.53
Mr Murari Lal Birmiwala	36.04	34.25
Sitting Fees		
Mr Rajendra Prasad Mody	-	0.10
Mr Vikram Aditya Mody	-	0.10
Mr Vivek Dayaram Kohli	0.10	-
Dividend Paid :		
Mr Rajendra Prasad Mody	-	-
Mr Shyam Sunder Bhuwania	-	-
Mr Vivek Dayaram Kohli	-	-
Mr Deepak Kejriwal	-	-
Mr Murari Lal Birmiwala	-	-
Mrs Nirmala Bhuwania	0.02	0.02
Salary paid to relative of Director(s)/ Key Managerial Personnel:		
Mrs Sanchita Mody	49.60	46.08

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding - Receivable		
Hindusthan Engineering & Industries Ltd	-	8.72
Outstanding - Loan Given		
Hindusthan Speciality Chemicals Ltd (Loan Given)	1,701.00	-
Outstanding - Other Payable		
Hindusthan Engineering & Industries Ltd	9.29	9.29
Outstanding - Loan taken (including interest)		
Hindusthan Engineering & Industries Ltd	-	9,370.12
Investment in Equity Share Capital in wholly owned subsidiary co.		
Hindusthan Speciality Chemicals Ltd.	8,459.31	7,859.31
Hindusthan Vidyut Products Ltd.	-	27.94
Hindusthan Projects Ltd.	-	5.00
Guarantees and collaterals by the Company		
Hindusthan Engineering & Industries Ltd	572.24	607.24
Hindusthan Speciality Chemicals Ltd	18,180.00	18,180.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

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. Real-estate: Real-estate includes Property at Faridabad given for rent purpose.

d. Others: This segment is engaged in power generation, investment activities (wind power business sold out w.e.f. 14th June, 2018)

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, 2019

Segment information for the year ended 31st March, 2019							
Particulars	Conductor	Insulator	Real-estate	Others	Un-allocated	Total	
Revenue from Operations (Gross)	49,115.56 (48,322.71)	20,324.72 (21,807.97)	348.62 (84.79)	117.64 (330.63)	-	69,906.54 (70,546.10)	
Results							
Segment result	1,793.84 (2,303.36)	2,644.54 (1,775.93)	241.60 15.81	68.72 (128.79)	- -	4,748.70 (4,192.27)	
Interest Income					170.85 (130.16)	170.85 (130.16)	
Finance cost					3,222.38 (3,757.44)	3,222.38 (3,757.44)	
Unallocable Corporate Expenditure					856.37 (896.78)	856.37 (896.78)	
Profit /(Loss) before taxation & exceptional items						840.81 331.79	
Exceptional Items	91.63 231.02	- -	- -	- -	- -	91.63 231.02	
Net Profit/ (Loss) before tax						749.18 100.77	
Tax Expense						526.60 293.67	
Net Profit/ (Loss) after tax						222.57 (192.90)	
Other Information	As at						
Segment assets	Mar 31, 2019	28,589.85	23,409.83	20,613.54	8,459.55	72.68	81,145.45
	Mar 31, 2018	(29,195.04)	(22,077.96)	(20,347.57)	(10,056.15)	(133.38)	(81,810.10)
Segment liabilities	Mar 31, 2019	18,771.59	10,028.98	98.87	-	7,155.77	36,055.21
	Mar 31, 2018	(15,082.39)	(22,019.28)	(34.26)	(290.81)	(3,851.37)	(41,278.10)
Capital Employed	Mar 31, 2019	9,818.26	13,380.85	20,514.67	8,459.55	(7,083.09)	45,090.24
	Mar 31, 2018	(14,112.65)	(58.68)	(20,313.31)	(9,765.34)	3,717.99	(40,531.99)
Capital expenditure	Mar 31, 2019	144.81	151.08	267.73	-	-	563.62
	Mar 31, 2018	(102.18)	(885.81)	-	-	-	(987.99)
Depreciation	Mar 31, 2019	848.02	613.25	11.43	22.89	-	1,495.59
	Mar 31, 2018	(874.26)	(618.36)	(9.00)	(106.63)	-	(1,608.26)
Figures in brackets represents previous year.							

Figures in brackets represents previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

B Secondary segment (geographical segment):

For the year ended 31st March, 2019

Particulars	March 31, 2019	March 31, 2018
a) Revenue from operations by geographical location of customers (Gross)		
Within India	68,871.47	68,748.55
Outside India	1,035.07	1,797.55
Total	69,906.54	70,546.10
b) Carrying amount of segment assets		
Within India	80,780.56	80,896.63
Outside India	364.89	913.47
Total	81,145.45	81,810.10
c) Capital expenditure		
Within India	563.62	987.99
Outside India	-	-
Total	563.62	987.99

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 31.03.2019	Year ended 31.03.2018
Current Tax :		
Current tax for the Year	154.23	-
Add: For earlier years Short/ (Excess) Provision	-	-
Less: MAT Credit entitlement	-	-
Total Current Tax	154.23	-
Deferred Tax :		
Property, Plant & Equipment /Depreciation	187.03	(186.45)
Provision for Gratuity / Leave Encashment	(17.05)	46.58
Un Absorbed Depreciation/ Brought forward Losses	202.39	(133.62)
Others	-	(20.18)
Total Deferred Tax	372.37	(293.67)

(b) Tax on Other Comprehensive Income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Deferred Tax :		
(Gain)/Loss on remeasurement of defined benefit plans	2.41	(8.38)
Total Deferred Tax	2.41	(8.38)

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before tax	749.17	(100.77)
Tax using the domestic tax rate	33.38%	30.90%
Tax effect of :		
Non-deductible tax expenses	372.37	(293.67)
Deductible tax expenses	154.23	-
Total tax expenses in the statement of profit and loss	526.60	(293.67)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

(d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2019	As at April 1, 2018	Charge/(Credit) in stmt of profit & loss	Charge/(Credit) in OCI	Charge/(Credit) in Other Equity	As at March 31, 2019
Property, Plant & Equipment Depreciation	4,258.13	187.03			4,445.17
Equity Component of Preference Share Capital	2,940.09				2,940.09
Provision for Gratuity & Leave Encashment	-	-		2,429.71	2,429.71
Provision for Doubtful Debts	(213.25)	(17.05)			(230.29)
Un-absorbed Depreciation/ Brought forward Losses	(392.54)			389.11	(3.43)
Other temporary differences	(1,079.96)	202.39			(877.57)
MAT Credit Entitlement	(767.29)		2.41	111.03	(653.85)
	(898.01)				(898.01)
Total	3,847.18	372.37	2.41	2,929.85	7,151.81

37 Earnings Per Share

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit/ (Loss) after Tax and exceptional items	222.57	192.90
Basic/weighted average number of equity shares outstanding during the year	14.43	14.43
Nominal value of Equity Share	10	10
Basic/Diluted EPS*		
On Profit after Tax and exceptional items	15.43	13.37

*The Board of Directors has decided not to pay any dividend on preference shares, hence the Basic and Diluted EPS would remain the same.

- 38 The Company is entitled to Scheme of budgetary support' under Goods and Service Tax Regime in respect of its eligible manufacturing unit located at Guwahati (Assam). Such grants are measured at amount receivable from the government and are recognised as other operating revenue as there is a reasonable assurance that the Company will comply all necessary conditions attached to that. GST Benefit accounted during the year is ₹ 21.44 Lakhs (Previous year : ₹ 41.53 Lakhs).

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	Year ended 31.03.2019	Year ended 31.03.2018
Hindusthan Speciality Chemicals Limited		
Outstanding as at the beginning of year	-	220.00
Loan given during the year	2,264.00	901.20
Repayment received during the year	563.00	1,121.20
Written-off during the year	-	-
Outstanding as at the end of year	1,701.00	-
Purpose	Business	Business
Interest Rate per annum	11.50/11.65%	11.50%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

40 Other Disclosures to Statement of Profit and Loss:

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
(a) NET GAIN/(LOSS) ON FOREIGN EXCHANGE				
SUNDRY DEBTORS				
For Export/Deemed Export	126.47		115.87	
SUNDRY CREDITORS				
For Import	(19.35)		(10.82)	
For Foreign Currency Loan	(24.85)		(6.20)	
For Others	(0.63)		(0.12)	
	<u>81.64</u>		<u>98.73</u>	
(b) PAYMENT TO AUDITORS				
- Audit fees	3.25		3.20	
- Out of Pocket Expenses	0.37		0.32	
- Tax Audit	0.50		0.55	
- Other Services	1.05		0.70	
	<u>5.17</u>		<u>4.77</u>	
(c) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED				
Sundry Debtors Credit Balance Written off	6.62		-	
Sundry Credit Balance Written off	554.62		58.65	
Carriage Inwards/ Outward	-		6.99	
Jobs on Contract	1.60		2.51	
Vat/Duty	-		3.36	
Stores, Spares & Packing material	-		0.68	
Commission	3.41		8.05	
Provision for Bonus, Variable Pay etc.	40.66		-	
Others	2.69		-	
	<u>609.60</u>		<u>80.24</u>	
(d) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS				
Raw Material	700.24		812.90	
Components & Spare Parts	208.39		61.22	
	<u>908.63</u>		<u>874.12</u>	
(e) EXPENDITURE IN FOREIGN CURRENCY				
Interest / Bank Charges	13.86		8.86	
Commission	8.98		6.99	
Others	75.49		18.81	
	<u>98.33</u>		<u>34.66</u>	
(f) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %				
IMPORTED				
Raw Materials	744.86	1.45%	815.42	1.75%
Stores and Spare Parts	119.11	8.80%	43.20	1.87%
INDIGENOUS				
Raw Materials	50,650.04	98.55%	45,710.93	98.25%
Stores and Spare Parts	1,234.47	91.20%	2,264.69	98.13%
	<u>52,748.48</u>		<u>48,834.24</u>	
(g) EARNINGS IN FOREIGN EXCHANGE				
Exports (F.O.B.)	1,035.07		1,726.06	
Freight & Insurance on Export	11.52		37.24	
Domestic sales in foreign currency	7,271.64		-	
	<u>8,318.23</u>		<u>1,763.30</u>	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

41. Financial Instruments : Fair Value Measurement

Financial Assets & Liabilities	Note	Level of hierarchy	31 March 2019			31 March 2018		
			FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets								
Investments in quoted equity instruments	(c)	Level 1	-		-	461.32		
Investments in unquoted equity instruments	(b)				8,459.31	-		7,892.25
Investments in Mutual Funds	(c)	Level 1	-		-	309.29		-
Trade receivables	(a)				21,325.13	-		20,435.21
Loans	(a, b)				1,720.38	-		20.49
Cash and cash equivalents	(a)				298.88	-		891.31
Other bank balances	(a, b)				248.44	-		239.65
Derivative financial assets	(d)	Level 2	-		-	2.75		-
Other financial assets	(a)				96.32	-		244.64
Total financial assets			-	-	32,148.46	773.36	-	29,723.55
Financial liabilities								
Non-current borrowings (including other current maturities)	(b)				5,430.80	-		11,371.53
Current borrowings	(a)				7,281.79	-		5,328.79
Trade payables	(a)				14,537.51	-		15,613.14
Derivative financial liabilities	(d)	Level 2	-		-	-		-
Other financial liabilities	(a)				43.01	-		5.92
Total financial liabilities			-	-	27,293.11	-	-	32,319.38

Note:

- 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.
- 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.
- The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.
- Derivatives are carried at fair value at each reporting date. The fair values of the derivatives 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.
- There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2019 and 31 March 2018.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

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 available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate 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 they 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 available 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 ₹ 2938.559 Lakhs (31 March 2018: ₹ 3050.34 Lakhs)

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

	31 March 2019	31 March 2018
Balance at the beginning of the year	1,134.19	1,134.19
Add: Provided during the year (net of reversal)	-	-
Less: Amount written off/ translation adjustment	1,123.91	-
Balance at the end of the year	10.28	1,134.19

Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible 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 expected 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 far 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 has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

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.

As at 31 March 2019	Carrying amount	Contractual cash flows		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	12,712.59	12,712.59	8,364.57	4,348.02
Trade payables	14,537.51	14,537.51	14,537.51	-
Other financial liabilities	43.01	43.01	43.01	-
As at 31 March 2018	Carrying amount	Contractual cash flows		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	16,700.32	16,700.32	6,591.49	10,108.83
Trade payables	15,613.14	15,613.14	15,613.14	-
Other financial liabilities	5.92	5.92	5.92	-

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

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. The functional currencies of the Company are primarily 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 2019			31 March 2018		
	USD	GBP	EURO	USD	GBP	EURO
Cash and cash equivalents	2,336	-	-	2,336	-	-
Trade receivable	6,06,277	-	3,67,959	5,69,163	3,26,153	-
Loans	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Borrowings	-	(1,28,243)	-	(6,89,775)	1,39,450	-
Other financial liabilities	-	-	-	-	-	-
Net exposure	6,08,613	(1,28,243)	3,67,959	(1,18,276)	1,86,703	-

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 2019		
USD (1% movement)	6,086.13	(6,086.13)
GBP (1% movement)	(1,282.43)	1,282.43
EUR (1% movement)	3,679.59	(3,679.59)
31 March 2018		
USD (1% movement)	(1,182.75)	1,182.75
GBP (1% movement)	1,867.03	(1,867.03)
EUR (1% movement)	-	-

Interest rate risk

Interest rate risk is the risk that the fair value of future 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 maintaining an appropriate mix between 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 2019	As at 31 March 2018
Fixed-rate borrowings	3.08	53.08
Floating rate borrowings	12,709.51	16,647.24
Total borrowings (gross of transaction costs)	12,712.59	16,700.32

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding 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 2019 would decrease / increase by ₹ 31.77 Lakhs (31 March 2018: ₹ 41.62 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

43. Capital Management

Risk management

The Company's objectives when managing capital are to:

- safeguarding 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, including non-controlling interest).

The gearing ratios were as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Net debt	12,178.45	15,340.92
Total equity	45,090.24	40,531.99
Net debt to equity ratio	0.27	0.38

Dividends

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Equity Shares	14,42,885	14,42,885
Final dividend for the year ended 31 March 2018 of ₹ 1 per fully paid equity share (31 March 2017 of ₹ 1 per fully paid up equity share)	14.43	14.43
(ii) Preference Shares	9,51,89,700	-
The Board of Directors have recommended not to pay any Dividend on Preference Shares this year	-	-
(iii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended not to pay any Dividend this year on equity shares as well as Preference Shares (31 March 2018: ₹ 1 per fully paid equity share). This is subject to the approval of shareholders in the ensuing annual general meeting.	-	14.43

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 28th May, 2019.

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: 28th May 2019

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and Whole Time Director

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

S.S. Bhuwania
(DIN: 00107171)
Vice Chairman and
Managing Director

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Opinion

We have audited the accompanying consolidated 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') which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Company as at March 31, 2019, the consolidated profit and loss (consolidated financial performance including other comprehensive income), changes in consolidated equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit & loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financials statement have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

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

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most

INDEPENDENT AUDITOR'S REPORT (Contd.)

significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit 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 have been kept by 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, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
1. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, Holding Company and its subsidiaries covered under the Act paid remuneration to their respective directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.
 2. 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The group has disclosed the impact of pending litigations under note No. 31 of its consolidated financial statements.
 - ii) The group did not have any long term contracts and had no derivative contracts outstanding as at March 31, 2019.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries

For K.N. Gutgutia & Company
Chartered Accountants
FRN 304153E

Place: New Delhi
Date: 28th May, 2019

(B.R. Goyal)
Partner
M.No. 12172

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

(Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements' of our report of even date) 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 **Hindusthan Urban Infrastructure Limited** (the "Holding Company") & its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries covered under the Act, as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's and its subsidiaries 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 Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group'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 Act, 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 were 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 includes 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 Holding Company and its subsidiaries 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiaries, 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, 2019, based on "the internal control over financial reporting criteria established by the Holding Company and its subsidiaries 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

Place: New Delhi
Date: 28th May, 2019

(B.R. Goyal)
Partner
M.No. 12172

CONSOLIDATED BALANCE SHEET AS AT MARCH 31 , 2019

Particulars	Note No.	As at March 31, 2019	(₹ in Lakhs) As at March 31, 2018
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	2	40,515.69	22,307.17
(b) Capital work - in - progress	3	12.21	10,688.22
(c) Investment Properties	4	20,584.05	20,325.75
(d) Other Intangible Assets	5	1,819.47	258.11
(e) Financial assets			
(i) Investment	6	30.00	491.32
(ii) Loans	10	5.66	-
(iii) Other Financial Assets	11	96.40	228.44
(f) Other non - current assets	13	1,093.73	1,130.27
Total non - current assets		64,157.21	55,429.28
(2) Current assets			
(a) Inventories	7	8,621.11	7,143.94
(b) Financial assets			
(i) Investment	6	-	309.29
(ii) Trade receivables	8	22,227.15	20,765.41
(iii) Cash and cash equivalents	9 (I)	458.00	2,445.09
(iv) Other bank balances	9 (II)	248.44	271.40
(v) Loans	10	1,714.72	20.49
(vi) Other Financial Assets	11	76.87	19.42
(c) Current Tax Assets (Net)	12	74.36	134.47
(d) Other Current Assets	13	3,799.76	5,074.27
Total current assets		37,220.41	36,183.78
Total Assets		1,01,377.62	91,613.06
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	14	144.29	144.29
(b) Other equity		43,941.89	39,858.60
(c) Non-controlling interests		5,897.50	-
Total equity		49,983.68	40,002.89
(2) LIABILITIES			
A Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	15,665.43	19,605.74
(b) Provisions	18	526.37	535.54
(c) Deferred tax liabilities (net)	19	7,055.97	3,694.56
(d) Other Non-current liabilities	20	158.86	125.49
Total non - current liabilities		23,406.63	23,961.33
B Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9,371.14	5,413.41
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	16	526.13	65.96
(b) total outstanding dues of creditors other than (ii) (a) above	16	14,978.07	15,953.93
(iii) Other financial liabilities	17	2,122.41	1,709.41
(b) Other current liabilities	20	668.20	4,003.39
(c) Provisions	18	321.36	502.74
Total current liabilities		27,987.31	27,648.84
Total Equity & Liabilities		1,01,377.62	91,613.06

Significant accounting policies

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Notes to the financial statements

2-46

The accompanying notes referred to above form an integral part of these consolidated 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

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and
Whole Time Director

S.S.Bhuwania
(DIN: 00107171)
Vice Chairman and
Managing Director

(B R Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 28th May, 2019

Deepak Kejriwal
(DIN : 07442554)
Whole Time Director & CFO

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars		Note No.	As at March 31, 2019	(₹ in Lakhs) As at March 31, 2018
I	Revenue from operations	21	70,789.51	71,867.55
II	Other income	22	1,532.17	924.22
III	Total income (I + II)		72,321.68	72,791.77
IV	Expenses			
	Cost of Materials Consumed	23	52,572.76	47,304.88
	Purchase of Stock-In-Trade	23	11.04	426.11
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(587.59)	(345.86)
	Excise Duty on sales		-	1,944.68
	Employee benefits expense	25	2,590.33	3,255.53
	Finance costs	26	3,298.83	3,770.66
	Depreciation and amortization expense	27	1,633.95	1,688.66
	Other expenses	28	12,482.83	15,399.99
	Total expenses		72,002.15	73,444.65
V	Profit /(Loss) before exceptional items and tax (III - IV)		319.53	(652.88)
VI	Exceptional items	30	120.60	(231.02)
VII	Profit/(Loss) before tax (V - VI)		198.93	(421.86)
VIII	Tax expense/(benefit)			
	(1) Current tax		154.23	-
	(2) Deferred tax		428.89	(359.24)
			583.12	(359.24)
IX	Profit / (Loss) for the year (VII - VIII)		(384.19)	(62.62)
X	Other Comprehensive Income			
A	(i) Items that will not be reclassified to profit or loss	29	8.27	25.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.68)	8.68
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		5.59	34.63
XI	Total Comprehensive Income for the year (IX + X)		(378.60)	(27.99)
XII	Profit attributable to:			
	Owners of the Company		(281.72)	
	Non-controlling interests		(102.47)	-
XIII	Other Comprehensive income attributable to:			
	Owners of the Company		5.45	
	Non-controlling interests		0.14	-
XIV	Total Comprehensive income attributable to:			
	Owners of the Company		(276.27)	
	Non-controlling interests		(102.33)	-
XV	Earnings per equity share:			
	(1) Basic		(19.52)	(4.34)
	(2) Diluted		(19.52)	(4.34)

Significant accounting policies

1

Notes to the financial statements

2-46

The accompanying notes referred to above form an integral part of these consolidated 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

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and
Whole Time Director

S.S.Bhuwania
(DIN: 00107171)
Vice Chairman and
Managing Director

(B.R. Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 28th May, 2019

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

		(₹ in Lakhs)
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	198.93	(421.86)
Adjustments for :		
Depreciation & amortisation expenses	1,633.95	1,688.66
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	(1.63)	1.86
Finance Cost	3,298.83	3,770.66
Provision for Liquidated Damages/ Bad Debts W/off	15.86	64.60
Liability/Sundry Balance Written back	(610.27)	(80.24)
Provision for Employee Benefits	(200.34)	(23.37)
Re-measurement of defined benefit plans transferred to OCI	8.27	25.95
Lease Rent Equilisation Reserve	-	(0.66)
Rental Income	(348.62)	(84.79)
Exceptional Items	91.63	(231.02)
Interest Income	(116.24)	(95.87)
Dividend Income	(3.00)	(8.27)
Profit on Sale of Property, Plant & Equipment	26.44	-
Profit on Sale of Investment	(211.24)	(245.31)
Gain on Mark to Market of Investments	-	(183.05)
Deferred Government Grant transferred	(14.63)	(14.63)
Operating Profit Before Working Capital Changes	3,767.94	4,162.68
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(1,477.80)	1,330.27
(Increase)/Decrease in Loans and Other Assets	1,255.76	(707.29)
(Increase)/Decrease in Inventories	(1,477.16)	(1,144.04)
Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	(326.17)	3,524.32
Cash Generated from Operations	1,742.56	7,165.93
Direct Tax Paid (net of refund)	38.67	35.54
Net Cash Inflow/(Outflow) from Operating Activities	1,703.89	7,130.39
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition / Purchase of PPE & Other Intangible Assets	(12,454.06)	(9,523.70)
Sale Proceeds of Property, Plant & Equipments (PPE)	1,646.90	391.89
Purchase of Investment Property	(267.73)	-
Purchase of Investment	(11,050.00)	(3,420.00)
Sale of Investments in shares / mutual funds	12,059.49	5,440.63
Interest Income Received	59.88	135.44
(Investment)/redemption in Term Deposit with bank as margin money (including unclaimed dividend)	227.33	688.75
Dividend Income Received	3.00	8.27
Rental Income	348.62	84.79
Net Cash Inflow/(Outflow) from Investing Activities	(9,426.57)	(6,193.94)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From / (Repayment) of Short Term Borrowings (net)	2,208.43	(2,572.24)
Issue of Preference Share Capital	9,518.97	-
Loan taken from /(repaid to) Related parties	(9,370.12)	(36.57)
Proceeds From Long Term Borrowings	1,820.49	8,400.10
Repayment of Long term Borrowings	(1,163.02)	(1,174.19)
Finance Cost Paid	(3,261.57)	(3,509.03)
Issue of Share Capital	6,000.00	-
Dividend Paid (including DDT)	(17.59)	(18.24)
Net Cash Inflow/(Outflow) from Financing Activities	5,735.59	1,089.82
Net Increase/ (Decrease) in cash & cash equivalents	(1,987.09)	2,026.28
Cash & cash equivalents at Beginning of the Year	2,445.09	418.81
Cash & cash equivalents at End of the Year	458.00	2,445.09
Components of cash & cash equivalents:		
- Balance with Banks : On current accounts	48.10	2,437.68
- Cash on hand	4.79	7.41
- Term Deposits with Banks (with maturity of less than 3 months)	405.11	-
	458.00	2,445.09

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 Property, Plant & Equipment includes movement of capital work in progress, Intangible assets under development and capital advances & capital payable, paid during the year.

Significant accounting policies

Notes to the financial statements

The accompanying notes referred to above form an integral part of these consolidated 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: 28th May, 2019

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and
Whole Time Director

S.S.Bhuwania
(DIN: 00107171)
Vice Chairman and
Managing Director

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A Equity Share Capital

(₹ in Lakhs)

Particulars	Issued			
Equity shares of Rs 10 each	No of Shares	Amount	No of Shares	Amount
As at March 31, 2018	1443000	144.30	1442885	144.29
As at March 31, 2019	1443000	144.30	1442885	144.29

B Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Equity Component of	Grand Total		
	Capital Redemption Reserve	Lease Rent Equilisation Reserve	General Reserve	Surplus / (Deficit)	Remeasurement of Defined Benefit Plans	Redeemable Preference Share Capital (Net of Deferred Tax)	Total Attributable to Owners of the Company	Non-Controlling Interests	Total
Balance as at 01.04.2017 (A)	26.44	0.64	39,456.21	378.72	(46.90)				39,815.11
Profit for the year	-	-	-	(62.62)	-				(62.62)
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	-	34.63				34.63
Total Comprehensive Income for the year 2017-18 (B)	-	-	-	(62.62)	34.63				(27.99)
Increase / Reductions during the year	-	-	-	-	-				-
Dividend on Equity Paid	-	-	-	(14.43)	-				(14.43)
Tax on Dividend	-	-	-	(2.94)	-				(2.94)
Other Adjustments of Ind AS	-	(0.66)	89.51	-	-				88.85
Transferred to / (from) - Surplus / (Deficit)	-	-	-	-	-				-
Transferred to / (from) - Revaluation Reserve	-	-	-	-	-				-
Total (C)	-	(0.66)	89.51	(17.37)	-				71.48
Balance as at 31.03.2018 (A)+(B)+(C) (D)	26.44	(0.02)	39,545.72	298.73	(12.27)				39,858.60
Non-Controlling Interest in Subsidiary (E)							33,858.77	5,999.83	
Profit for the year	-	-	-	(384.19)	-		(281.72)	(102.47)	(384.19)
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	-	5.59		5.45	0.14	5.59
Total Comprehensive Income for the year 2018-19 (F)	-	-	-	(384.19)	5.59		(276.27)	(102.33)	(378.60)
Increase / Reductions during the year	-	-	-	28.70	-	7,278.08	7,306.78		7,306.78
Deferred Tax on Above	-	-	-	-	-	(2,429.71)	(2,429.71)		(2,429.71)
Dividend on Equity Paid	-	-	-	(14.43)	-	-	(14.43)		(14.43)
Tax on Dividend	-	-	-	(2.94)	-	-	(2.94)		(2.94)
Deferred Tax on IndAS Provisions adjusted	-	-	-	(500.14)	-	-	(500.14)		(500.14)
Non-Controlling Interest in Subsidiary	-	-	-	-	-	-	5,999.83		5,999.83
Transferred to / (from) - Surplus / (Deficit)	-	0.02	-	(0.02)	-	-	-		-
Transferred to / (from) - Revaluation Reserve	-	-	-	-	-	-	-		-
Total (G)	-	0.02	-	(488.83)	-	4,848.37	10,359.39		10,359.39
Balance as at 31.03.2019 (D)+(E)+(F)+(G) (H)	26.44	-	39,545.72	(574.29)	(6.68)	4,848.37	43,941.89	5,897.50	49,839.39

Significant accounting policies

1

Notes to the financial statements

2-46

The accompanying notes referred to above form an integral part of these consolidated 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

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and
Whole Time Director

S.S. Bhuwania
(DIN: 00107171)
Vice Chairman and
Managing Director

(B.R. Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 28th May, 2019

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

DETAILS RELATING TO PREFERENCE SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised		
9,75,00,000 (31 March 2018 : Nil) Preference Shares of ₹ 10/-each.	9,750.00	-
Issued		
9,51,89,700 (31 March 2018 : Nil) Preference Shares of ₹ 10/-each.	9,518.97	-
Subscribed & Fully Paid up		
9,51,89,700 (31 March 2018 : Nil) Preference Shares of ₹ 10/-each.	9,518.97	-
Total	9,518.97	-

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	-	-
Add:- Addition during the Year	9,51,89,700	9,518.97	-	-
Less:- Deletion during the Year	-	-	-	-
Closing Balance	9,51,89,700	9,518.97	-	-

(b) **Terms/rights attached to Preference shares**

- The Issue of 9,51,89,700, 1% Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10/- each at par has been made by utilising the loan amounting ₹ 9518.97 Lakhs outstanding as on July 31, 2018.
- The NCPS shall carry a preferential right vis-à-vis Equity Shares of the Group with respect to repayment of capital.
- NCPS shall be non-participating in the surplus funds.
- NCPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has repaid, on winding up of the Group.
- NCPS shall carry 1% dividend.
- NCPS shall not be convertible into equity shares.
- NCPS shall not carry any voting rights except as provided under Section 47(2) of the Companies Act, 2013.
- NCPS shall be redeemable at the the end of 20 years from the date of issue and shall be redeemed at par of ₹ 10/- per NCPS.

(c) **Details of Shareholders holding more than 5% Preference shares in the Group**

	As at 31.03.2019		As at 31.03.2018	
	No. of Pref Shares	Percentage Holding	No. of Pref Shares	Percentage Holding
Hindusthan Engineering & Industries Ltd.	9,51,89,700	100.00%	-	-

Equity Component of Redeemable Preference Shares :

Redeemable Non -Cumulative Non -Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Equity Component of such shares as per Ind -AS 32 is ₹ 7278.08 Lakhs & Deferred Tax on above is Rs 2429.71 Lakhs as on 31.03.2019. Equity Component (net of Tax) amounting ₹ 4848.37 Lakhs is considered in Other Equity.

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 real-estate activity of renting out property.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on 28th May, 2019.

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 as amended.

(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.

(c) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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	58.50%

- iii. 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. 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 are shown net of , 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 Consolidated 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

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are

subsequently remeasured at their fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss in the period when they arise.

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 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 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 Consolidated 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 Other Comprehensive Income.

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 Consolidated 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 recognised 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 Operating segment

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 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided over its useful life using the written down value method.

1.25 Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items

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

Ind AS 116 :

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

1.27 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 Consolidated 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 financial assets and financial liabilities recorded in the Consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

2 Property, Plant & Equipments

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	QC Laboratory Instruments	R&D Laboratory Instruments	Computers & IT equipment	Office equipment	Furniture & fixtures	Motor Vehicle	Total
Gross Block (at cost or revalued amount)											
As at 01.04.2017	1,745.60	907.04	8,144.81	24,073.72	-	-	70.31	183.54	454.67	496.71	36,076.40
Additions	-	-	25.38	799.22	-	-	25.82	10.48	12.00	18.85	891.74
Disposals	-	-	-	(1,356.71)	-	-	(1.00)	(7.28)	(5.50)	(37.35)	(1,407.83)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2018	1,745.60	907.04	8,170.19	23,516.23	-	-	95.13	186.74	461.17	478.21	35,560.32
As at 01.04.2018	1,745.60	907.04	8,170.19	23,516.23	-	-	95.13	186.74	461.17	478.21	35,560.32
Additions	-	-	7,857.88	13,158.66	141.24	148.71	18.04	17.17	114.54	80.59	21,536.82
Disposals	-	(50.47)	(160.02)	(3,800.84)	-	-	(1.24)	(1.24)	(10.17)	(59.93)	(4,083.91)
Other adjustments	-	-	(2.12)	-	-	-	-	-	(5.55)	-	(7.67)
As at 31.03.2019	1,745.60	856.57	15,865.93	32,874.05	141.24	148.71	111.93	202.66	559.99	498.88	53,005.56
Depreciation											
As at 01.04.2017	-	51.53	1,847.18	10,515.73	-	-	50.76	105.32	74.56	227.71	12,872.80
Charge for the year	-	3.63	357.01	1,124.01	-	-	9.70	24.62	41.85	51.65	1,612.48
Disposals	-	-	-	(1,214.66)	-	-	(0.93)	(6.89)	(4.38)	(16.82)	(1,243.68)
Adjustments	-	7.61	0.85	-	-	-	1.56	0.71	0.27	0.55	11.54
As at 31.03.2018	-	62.77	2,205.03	10,425.09	-	-	61.10	123.75	112.30	263.09	13,253.14
As at 01.04.2018	-	62.77	2,205.03	10,425.09	-	-	61.10	123.75	112.30	263.09	13,253.14
Charge for the year#	-	10.66	335.36	1,078.82	0.62	0.66	13.05	25.37	44.98	46.91	1,556.42
Disposals	-	(21.11)	(135.74)	(2,112.06)	-	-	(0.64)	(1.00)	(3.48)	(45.55)	(2,319.58)
Adjustments	-	-	(0.12)	-	-	-	-	-	-	-	(0.12)
As at 31.03.2019	-	52.32	2,404.54	9,391.84	0.62	0.66	73.51	148.12	153.79	264.45	12,489.87
Net Block											
As at 31.03.2018	1,745.60	844.27	5,965.16	13,091.14	-	-	34.03	62.98	348.87	215.12	22,307.17
As at 31.03.2019	1,745.60	804.25	13,461.39	23,482.21	140.62	148.06	38.42	54.54	406.19	234.42	40,515.69

Note :- Depreciation of Rs 15.01 Lakhs related to HSCL (Subsidiary Co.) transferred to pre-operative expenses and the same is capitalised.

3 Capital Work in Progress

Particulars	Capital Work In Progress
As at 31.03.2018	10,688.22
As at 31.03.2019	12.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

4 Investment Properties

(₹ in Lakhs)

Particulars	Land at Banera	Land at Bangalore (including Site development)	Land at Khurda	Land at Faridabad	Building at Faridabad	Total
Gross Block (At Cost)						
As at 01.04.2017	0.91	1,144.21	-	19,046.00	456.67	20,647.79
Additions	-	-	-	-	-	-
Other adjustments	-	(21.00)	-	-	-	(21.00)
As at 31.03.2018	0.91	1,123.21	-	19,046.00	456.67	20,626.79
As at 01.04.2018	0.91	1,123.21	-	19,046.00	456.67	20,626.79
Additions	-	-	56.54	-	211.19	267.73
Other adjustments	-	-	-	-	2.12	2.12
As at 31.03.2019	0.91	1,123.21	56.54	19,046.00	669.98	20,896.64
Depreciation						
As at 01.04.2017	-	-			292.04	292.04
Charge for the year	-	-			9.00	9.00
As at 31.03.2018	-	-			301.04	301.04
As at 01.04.2018	-	-			301.04	301.04
Charge for the year	-	-			11.43	11.43
Other adjustments	-	-			0.12	0.12
As at 31.03.2019	-	-			312.59	312.59
Net Block						
As at 31.03.2018	0.91	1,123.21	-	19,046.00	155.63	20,325.75
As at 31.03.2019	0.91	1,123.21	56.54	19,046.00	357.39	20,584.05

	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from investment properties	348.62	84.79
Direct operating expenses (including repairs and maintenance) generating rental income	95.59	91.60
Income arising from investment properties before depreciation	253.03	(6.81)
Depreciation	11.43	9.00
Income arising from investment properties (Net)	241.60	(15.81)

Premises given on operating lease:

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the Balance Sheet date are as under:

	As at 31.03.2019	As at 31.03.2018
For a period not later than one year	444.46	348.62
For a period later than one year and not later than five years	405.90	850.36
For a period later than five years	-	-
Total	850.36	1,198.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

5 Other Intangible Assets

Particulars	Computer softwares	Product Development	Total
Gross Block (at cost or revalued amount)			
As at 01.04.2017	220.60	135.00	355.60
Additions	20.07	-	20.07
As at 31.03.2018	240.66	135.00	375.67
As at 01.04.2018	240.66	135.00	375.67
Additions	0.66	1,642.91	1,643.57
Disposals	(0.52)	-	(0.52)
Other adjustments	-	-	-
As at 31.03.2019	240.80	1,777.91	2,018.72
Amortization			
As at 01.04.2017	43.97	6.32	50.29
Charge for the year	41.54	25.65	67.19
Disposals	-	-	-
Adjustments	0.07	-	0.07
As at 31.03.2018	85.57	31.97	117.55
As at 01.04.2018	85.57	31.97	117.55
Charge for the year#	46.78	35.10	81.88
Disposals	(0.18)	-	(0.18)
Adjustments	-	-	-
As at 31.03.2019	132.18	67.07	199.25
Net Block			
As at 31.03.2018	155.09	103.03	258.11
As at 31.03.2019	108.63	1,710.84	1,819.47

Note :- Amortization of Rs 0.77 Lakhs related to HSCL (Subsidiary Co.) transferred to pre-operative expenses and the same is capitalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

6 Financial Assets: Investments (₹ in Lakhs)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-Current	Current	Non-Current
Investments in Equity Shares				
a) Quoted Equity Shares (Measured at FVTPL)				
Reliance Industries Ltd.		-		441.40
Ballarpur Industries Ltd.		-		19.92
		-		461.32
b) Mutual Funds: Quoted (Measured at FVTPL)	-			
Aditya Birla Sunlife Cash Plus		30.00	-	30.00
c) Mutual Funds: Quoted (Measured at FVTPL)				
Aditya Birla Sunlife Cash Plus	-	-	309.29	
Total	-	30.00	309.29	491.32
	As at 31.03.2019		As at 31.03.2018	
	No. of Units	Amount	No. of Units	Amount
Aggregate amount of quoted investments - At Cost				
Investments in Equity Shares - Others				
Reliance Industries Ltd. (₹ 10 each)	-	-	50,000	267.95
Ballarpur Industries Ltd. (₹ 2 each)	-	-	1,59,615	53.31
Aggregate amount of quoted investments - At Cost		-		321.26
Aggregate amount of quoted investments - At Market value		-		461.32
Aggregate amount of unquoted investments				
Investments in Equity Shares				
Narmada Clean Tech Limited (NCTL) (₹ 10 each)		30.00		30.00
Investments in Mutual Funds: Quoted				
Aditya Birla Sunlife Cash Plus	-	-	1,10,731	309.29
Aggregate amount of quoted investments - At Market value		-		770.61

7 Inventories

Particulars	As at 31.03.2019	As at 31.03.2018
(I) Raw materials - In hand	2,436.59	1,834.55
- In Transit	-	11.69
(II) Work-in-Progress	2,631.95	2,200.39
(III) Finished Goods	1,721.93	1,449.06
(IV) Stores & Spares and Packing	1,770.30	1,471.08
(V) Stock in Trade	5.96	129.84
(VI) Scrap	54.38	47.34
Total	8,621.11	7,143.94

(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 is ₹ 1750 lakhs (Prev year- ₹ 1750 lakhs) for Work in Progress & ₹ 58.53 lakhs (Prev year - ₹ 218 lakhs) for Stores & Spares and Packing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

8 Financial Assets: Trade Receivables

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Trade receivables considered good - Secured	-	-	1,353.88	1,395.85
Trade receivables considered good - Unsecured	-	-	20,883.55	20,503.75
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables - credit impaired	-	-	-	-
Total	-	-	22,237.43	21,899.60
Less: Loss allowance	-	-	(10.28)	(1,134.19)
	-	-	-	-
Total	-	-	22,227.15	20,765.41

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

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Cash and Bank Balances				
(I) Cash & cash equivalents				
(i) Balance with Banks				
Current Accounts	-	-	48.10	2,437.68
(ii) Cash on Hand	-	-	4.79	7.41
(iii) Deposits with Banks held as Margin money/ Security (Maturity of less than three months)	-	-	405.11	-
	-	-	458.00	2,445.09
(II) Other Bank Balances				
Earmarked Balances with Banks - Unclaimed Dividend	-	-	3.96	4.19
Deposits with Banks held as Margin money/ Security	-	-	244.48	267.21
	-	-	248.44	271.40
Total	-	-	706.44	2,716.49

10 Financial Assets: Loans

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good				
Loans to related parties	-	-	1,701.00	-
Loans to employees	5.66	-	13.72	20.49
Total	5.66	-	1,714.72	20.49
Break-up of security details				
Particulars	As at 31.03.2019		As at 31.03.2018	
Loans considered good - Secured	-		-	
Loans considered good - Unsecured	1,720.38		20.49	
Loans which have significant increase in credit risk	-		-	
Loans - credit impaired	-		-	
Total	1,720.38		20.49	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

11	Financial Assets: Others		(₹ in Lakhs)		
		Non - current		Current	
Particulars		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good					
Interest accrued but not due		-	-	76.87	16.67
Mark to Market Balance against outstanding forward contract				-	2.75
Deposits with Banks held as Margin money/ Security (Maturity of more than twelve months)		96.40	228.44		
Total		96.40	228.44	76.87	19.42
12	Current Tax Assets (Net)				
Particulars				As at 31.03.2019	As at 31.03.2018
Advance Payment of Tax / TDS / TCS (Net of Provision for Income Tax)				74.36	134.47
Total				74.36	134.47
13	Other Assets				
		Non - current		Current	
Particulars		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
(I) Capital Advances					
Secured, considered good		-	-	-	-
Unsecured, considered good		-	59.62	125.35	2,630.02
(II) Security Deposits					
Secured, considered good					
Unsecured, considered good					
(A) (i) Sales Tax (Under Litigation)		93.47	77.69	-	-
(ii) Municipal Corporation (Under Litigation)		5.16	5.14	-	-
(iii) Central Excise & Custom (Under Litigation)		41.38	49.36	-	-
(iv) Electricity Board (Under Litigation)		27.91	27.91	-	-
(B) Others - I) Tender		86.16	115.32	-	-
II) Electricity		350.83	303.69	-	-
III) Others		317.53	326.62	-	-
Less: Provision for doubtful deposits		-	(23.19)	-	-
(III) Earnest Money Deposit - Lien Fixed Deposit					
- Others		122.61	153.61	-	-
(IV) Deposit/ Credit with Government Authorities					
Custom, Excise & Service Tax , GST		-	-	3,013.03	1,553.32
Sales tax		-	-	63.20	69.74
(V) Advances to Suppliers		-	-	232.00	637.15
Less: Provision for doubtful advances		-	-	(3.90)	(70.63)
(VI) Employees		-	-	11.57	11.51
Less: Provision for doubtful advances		-	-	-	(2.67)
(VII) Others					
Others		48.68	30.74	358.51	245.83
(VIII) Deferred Expense					
Security Deposit		-	3.75	-	-
Total		1,093.73	1,130.27	3,799.76	5,074.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

14	Equity Share Capital	(₹ in Lakhs)	
	Particulars	As at 31.03.2019	As at 31.03.2018
	Authorised		
	25,00,000 (31 March 2018 : 25,00,000) Equity Shares of ₹ 10/-each.	250.00	250.00
	Issued		
	14,43,000 (31 March 2018 : 14,43,000) Equity Shares of ₹ 10/-each.	144.30	144.30
	Subscribed & Fully Paid up		
	14,42,885 (31 March 2018 : 14,42,885) Equity Shares of ₹ 10/-each.	144.29	144.29
	Total	144.29	144.29

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

	As at 31.03.2019		As at 31.03.2018	
Particulars	No of Shares	Amount	No of Shares	Amount
Opening Balance	14,42,885	144.29	14,42,885	144.29
Add:- Addition during the Year	-	-	-	-
Less:- Deletion during the Year	-	-	-	-
Closing Balance	14,42,885	144.29	14,42,885	144.29

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 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.

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

	As at 31.03.2019		As at 31.03.2018	
Name of Shareholder	No. of Equity Shares	Percentage Holding	No. of Equity Shares	Percentage Holding
Hindusthan Consultancy & Services Ltd.	7,08,825	49.12%	7,08,825	49.12%
Carbo Industrial Holdings Ltd	1,32,820	9.21%	1,32,820	9.21%
Promain Ltd	1,17,900	8.17%	1,17,900	8.17%

15 Financial Liabilities: Borrowings

	Particulars	Non - current		Current	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
	Secured Loans from Banks:				
a)	- Term Loan (Rupee Loan)	14,454.04	13,055.95	-	-
	Less:- Current Maturities	(1,079.70)	(1,021.19)	-	-
		13,374.34	12,034.76	-	-
b)	- Term Loan (FCLR Loan)	-	690.63	-	-
	Less:- Current Maturities	-	(192.84)	-	-
		-	497.79	-	-
c)	- Vehicle Loan (Rupee Loan)	3.08	53.08	-	-
	Less:- Current Maturities	(3.08)	(48.67)	-	-
		-	4.40	-	-
	Unsecured Loans				
	From Related parties (Unsecured)	-	7,068.80	1,750.33	-
		-	7,068.80	1,750.33	-
d)	Liability Component of Redeemable Preference Shares	2,291.08	-	-	-
		2,291.08	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

e)	Working Capital Facilities from Banks- Secured (Repayable on Demand) Foreign Currency Loan PCFC Loan				(₹ in Lakhs)
		-	-	-	391.07
		-	-	-	391.07
	Rupee loan Cash Credit	-	-	7,620.81	5,022.35
		-	-	7,620.81	5,022.35
	Total	15,665.43	19,605.74	9,371.14	5,413.41
a)	Term Loan (Rupee Loan)				
(i)	Type of Loan: 10.85% p.a. Term Loan Canara Bank, New Delhi of ₹ 1295 Lakhs 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. 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. 4500 Lakhs is sanctioned on 14.08.2015 by Canara Bank, New Delhi for our Khurda Projects against which ₹ 4064.34 Lakhs 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.				
(iii)	Type of Loan: Term Loan sanctioned for Chemical Division by State Bank of Bikaner & Jaipur (now merged with State Bank of India) @ 10.95% p.a. ₹ 5000 lakhs (Disbursed amount of ₹ 3284.06 lakhs (Previous Year ₹ 3406 lakhs)), State Bank of Hyderabad (now merged with State Bank of India) @ 10.95 % p.a. ₹ 2500 lakhs (Disbursed amount of ₹ 1525.53 lakhs (Previous Year ₹ 1653 lakhs)), by Andhra Bank @ 11.30% p.a. ₹ 3280 lakhs (Disbursed amount of ₹ 2128.44 lakhs (Previous Year ₹ 1473 lakhs)) and by Corporation Bank @ 11.45% p.a. ₹ 6500 lakhs (Disbursed amount of ₹ 4261.97 lakhs (Previous Year ₹ 2939 lakhs)) Nature of Security: The loan is secured by first pari-passu charge by way of mortgage of all the immovable properties and assets including project land (including leasehold right), first pari-passu 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 pari-passu charge by over all bank account & profit after tax of the company & second pari-passu 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 25 equal quarterly instalments commencing from September 2021.				
(iv)	Type of Loan: 15.05% p.a. Indian rupee term loan from State Bank of India. Nature of Security: Secured by 1st 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 ₹ 60.93 Lakhs starting from Sep'2016.				
b)	Term Loan (FCLR Loan) - Nil as on 31.03.2019				
c)	Type of Loan: 10.14% p.a. Vehicle loan from ICICI Bank of ₹ 209.30 lakhs. Terms of Repayment: The said loan is repayable in 59 equal monthly instalments starting from 10.06.2014.				
d)	Liability Component of Redeemable Preference Shares : Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Present Value of Principal amount of such shares at the end of 20 years considered as Liability Component as per Ind-AS 32 using discount rate @ 7.50% is ₹ 2240.89 Lakhs. Interest expense recognised during the year as per Ind-AS 32 is ₹ 50.19 Lakhs.				
e)	Working Capital Facilities for Banks :				
(i)	Type of Loan: Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is ₹ 2496.21 Lakhs. (Previous year - ₹ 391.07 Lakhs) 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 & 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.				
(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 ₹ 4785.57 lakhs (31.03.2018- ₹ 4937.72 lakhs). 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 Division against which drawing is ₹ 339.02 Lakhs (Previous year - ₹ 84.63 Lakhs). 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. on foreign currency denominated working capital facilities and it varies from 8% p.a. to 13% p.a. on rupee denominated working capital facilities.				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

16 Financial Liabilities: Trade payables (including Acceptances)* (₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Total outstanding dues of micro and small enterprises	526.13	65.96
Total outstanding dues of creditors other than micro and small enterprises	14,978.07	15,953.93
Total	15,504.20	16,019.89

*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

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long term Debt (Refer note 15)				
10.85% p.a. Term Loan from a Bank - Rupee Loan	-	-	835.98	970.31
10.14% p.a. ICICI Bank Term Loan - Car Loan	-	-	3.08	48.67
15.05% Bank-SBI Term Loan -INR	-	-	243.72	50.88
6.186% Bank-SBI Term Loan -FCNR	-	-	-	192.84
Interest accrued but not due on borrowings	-	-	37.26	-
Unclaimed dividend	-	-	3.96	4.19
Other Payables	-	-	-	-
Due to Micro and Small Enterprises (Capital Goods)	-	-	339.28	-
Creditors For Capital Goods	-	-	659.13	443.54
Amount payable against outstanding forward contract	-	-	-	(1.02)
Total	-	-	2,122.41	1,709.41

18 Provisions

Particulars	Non - current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits	525.13	534.31	321.36	502.74
Contract Loss provision	1.24	1.24	-	-
Total	526.37	535.54	321.36	502.74

19 Deferred tax liabilities (net)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred tax liabilities on:		
- Fixed assets U/s-32	8,315.51	7,222.32
- Equity Component of Preference Share Capital	2,429.71	-
	10,745.22	7,222.32
Deferred tax assets on:		
- Bonus, gratuity & leave salary U/s-43B	237.38	214.39
- Provision for doubtful debts U/s-36(1)(vii)	3.43	392.54
- Business loss / Un Absorbed Depreciation U/s-72	1,896.55	1,255.03
- Other Temporary Differences	647.89	759.11
- Other Comprehensive Income	5.99	8.68
	2,791.24	2,629.75
MAT Credit Entitlement	898.01	898.01
Net Deferred Tax Liabilities	7,055.97	3,694.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

20 Other Liabilities		(₹ in Lakhs)			
Particulars	Non - current		Current		
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018	
Advances from customers	-	-	224.18	357.81	
Other Payable to related party (HEIL)	-	-	9.29	9.29	
Interest Payable to related party (HEIL)	-	-	-	2,301.32	
Deferred Sales Tax Liability	-	4.70	-	100.00	
Interest on Sales tax Liability	-	-	128.28	128.28	
Deferred Government Grants	71.90	86.53	14.63	14.63	
Deferred Security Deposit (Rent)	7.31	-	8.72	-	
Statutory Liabilities					
- Income Tax (TDS)	-	-	66.24	135.16	
- Excise duty / GST	-	-	85.99	272.09	
- Others	-	-	25.67	545.28	
Other Deposits : Trade/Service deposits	79.65	34.26	105.20	139.53	
Total	158.86	125.49	668.20	4,003.39	
21 Revenue from operations					
Particulars	Year ended 31.03.2019		Year ended 31.03.2018		
Sale of products					
(I) Conductors	49,340.08		48,022.17		
(II) Power Generation Sales	117.64		330.63		
(III) Insulators	19,936.88		21,513.31		
(IV) Epoxy Resin & Allied Products	878.96		1,318.57		
	70,273.56		71,184.68		
Other operating revenue					
(I) Scrap Sales	438.15		431.94		
(II) Export Incentives	41.73		43.72		
(III) Sales Tax/Excise/GST Benefit	36.07		207.21		
	515.95		682.87		
Revenue from Operations (Gross)	70,789.51		71,867.55		
22 Other income					
Particulars	Year ended 31.03.2019		Year ended 31.03.2018		
(A) INTEREST INCOME					
From FDR's	29.46		45.82		
From Customers	70.33		31.10		
From Others	16.45		18.95		
(B) DIVIDEND INCOME	3.00		8.27		
(C) NET GAIN ON INVESTMENT					
Gain on Sale Of Investment measured at FVTPL	211.24		245.31		
Gain arising On Investment measured at FVTPL (Mark to Market Gain)	-		183.05		
(D) OTHER NON- OPERATING INCOME					
Fluctuation in Exchange Rate (Net)	108.89		107.84		
Claims Received (Net)	19.72		4.62		
Profit on Sale of Property, Plant & Equipment	2.53		0.00		
Liabilities No Longer Required & Sundry Credit Balance Written Back	610.27		80.24		
Rental Income	348.62		84.79		
Entry Tax Refund	111.67		109.63		
On Exchange difference to the extent considered as an adjustment to borrowing cost	-		2.75		
Other (Ind AS Adjustment)	-		1.86		
Total	1,532.17		924.22		
Total Revenue	72,321.68		72,791.77		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

23	Cost of Materials Consumed	(₹ in Lakhs)	
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	A) Raw Material	52,572.76	47,304.88
	B) Purchase of Stock-In-Trade	11.04	426.11
24	Changes in inventories of finished goods, stock-in-trade & work-in-progress		
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	Inventories at the beginning of the year		
	Finished Goods	1,449.06	1,237.69
	Work-In-Progress	2,200.39	2,159.18
	Stock-in-trade	129.84	15.40
	Scrap	47.34	68.50
		3,826.63	3,480.77
	Inventories at the end of the year		
	Finished Goods	1,721.93	1,449.06
	Work-In-Progress	2,631.95	2,200.39
	Stock-in-trade	5.96	129.84
	Scrap	54.38	47.34
		4,414.22	3,826.63
	Total	(587.59)	(345.86)
25	Employee benefits expense		
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	Salaries & wages	2,408.01	3,035.59
	Contribution to provident & other funds	134.30	176.63
	Staff & Workmen welfare expenses	48.02	43.31
	Total	2,590.33	3,255.53
26	Finance costs		
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	(1) INTEREST		
	On Term Loan	467.19	561.87
	On Working Capital Borrowings	2,186.31	2,255.01
	On Exchange difference to the extent considered as as adjustment to borrowing cost	24.74	5.07
	On Liability Component of Redeemable Preference Share Capital	50.19	-
	On Others	173.80	494.42
		2,902.23	3,316.37
	(2) OTHER BORROWING COST		
	Bank Charges	396.60	454.29
	Total	3,298.83	3,770.66
27	Depreciation and amortization expense		
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	Depreciation of property, plant & equipment	1,541.41	1,612.47
	Depreciation on Investment Properties	11.43	9.00
	Amortization of intangible assets	81.11	67.19
	Total	1,633.95	1,688.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

28	Other expenses	(₹ in Lakhs)	
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	MANUFACTURING EXPENSES		
	(i) Stores & Spares	1,360.24	2,314.36
	(ii) Packing & Forwarding Expenses (Net)	1,498.80	2,434.84
	(iii) Power & Fuel	5,361.48	5,774.70
	(iv) Repairs to Building	59.02	158.06
	(v) Repairs to Machinery	226.97	393.30
	(vi) Jobs on Contract	2,674.70	3,186.86
	(vii) Increase/(Decrease) in Excise Duty & Cess on Inventories	-	(127.76)
	SELLING AND ADMINISTRATION		
	(i) Rent	56.14	71.67
	(ii) Insurance	34.38	60.14
	(iii) Rates & Taxes	113.74	37.17
	(iv) Repairs - Others	91.36	97.57
	(v) Directors Meeting Fees	9.50	7.30
	(vi) Payment to Auditors	6.81	5.33
	(vii) Charity & Donation	-	0.70
	(viii) Brokerage & Commission	92.78	69.79
	(ix) Bad Debts Written off	15.86	64.60
	(x) Miscellaneous Expenses	881.05	851.36
	Total	12,482.83	15,399.99
29	Other Comprehensive Income		
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	Items that will not be reclassified to profit or loss		
	Remeasurements of the defined benefit plans	8.27	25.95
		8.27	25.95
	Items that will be reclassified to profit or loss		
		-	-
	Total	8.27	25.95
30	Exceptional items		
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	Profit/(Loss) on Sale of Property, Plant & Equipment	(120.60)	231.02
	Total	(120.60)	231.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

31 Contingent Liabilities & Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(1) Contingent liabilities (to the extent not provided for)		
(A) Guarantee		
(a) The Parent Company has given following corporate guarantees on behalf of group companies under sale tax, excise, custom etc.: Hindusthan Speciality Chemicals Ltd (Subsidiary), for secure financial facilities Hindusthan Engineering Industries Ltd (group company), under sales tax, excise, custom etc	- 572.24	- 607.24
(b) Outstanding guarantees furnished by banks on behalf of the company	13,612.57	17,927.42
(c) Outstanding letters of credit furnished by banks on behalf of the company	15,391.63	13,818.22
(B) Claims against Company, disputed by the Company, not acknowledged as debt:		
(a) Income Tax demand under appeal *	-	60.36
(b) Excise Duty show cause notices/demands under appeal	125.81	615.23
(c) Claims against the Company for Sales/Purchase Tax/VAT	1,304.60	509.24
(d) Claims against the Company for Labour Cases/MCF & Other under litigation	239.82	243.82
* Apart from these liabilities, the Parent company has received demand of ₹ 669.27 Lakhs from Income Tax department related to assessment year 13-14 & 14-15 however the credit of advance Income tax of ₹ 466.00 Lakhs 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)	4.68	7,743.15
(B) Other Commitments:		
(i) Surety Bond given to Custom & Excise/JDGFT	315.00	315.00
(ii) Sales order to be executed against Government and Private Contracts	40,035.98	75,799.39
(iii) Liability in respect of sales bills discounted with banks/NBFC's	8,797.23	4,649.02

32 Disclosure requirement under MSMED Act, 2006

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 2019. 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:

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due and remaining unpaid to any supplier at the end of the each accounting year	865.41	65.96
The amount of interest paid by the buyer in term of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006), alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year, and	-	-
The amount of further interest remaining due and payable in succeeding year, until such interest when the interest dues above are actually paid to the small enterprises, for the purpose of disallowances on account of deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

33 Employee Benefits

(₹ in Lakhs)

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, 2019	As at March 31, 2018
Contribution to Defined Contribution Plan, recognized for the year are as under:		
Employer's Contribution to Provident Fund	53.98	67.17
Employer's Contribution to Pension Fund	43.75	53.14
Employer's-ESI Contribution	36.51	38.90
Labour Welfare Fund	-	-
Total	134.24	159.21

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)	
	2018-19	2017-18	2018-19	2017-18
Net expenses recognised during the year 2018-19				
Current Service Cost	20.43	18.53	35.24	33.45
Interest Cost	6.05	6.48	42.50	42.57
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	(1.86)	(10.50)	(8.92)	(28.27)
Past Service Cost	-	-	-	17.86
Net benefit expenses	24.63	14.51	68.82	65.62

Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2019

Present Value of Defined Benefit Obligation	91.05	85.39	595.91	584.77
Fair Value of plan assets	-	-	-	-
Net Liabilities recognised in Balance Sheet	(91.05)	(85.39)	(595.91)	(584.77)

Change in the Present value of obligation over the year ended 31st March, 2019

Present Value of Defined Benefit Obligation as on 1st April, 2018	85.39	90.10	584.77	590.56
Interest Cost	6.05	6.48	42.50	42.57
Past Service Cost	-	-	-	17.86
Current Service Cost	20.43	18.53	35.24	33.45
Benefits Paid	(18.97)	(19.22)	(57.68)	(73.73)
Actuarial (Gain) / loss on obligation	(1.86)	(10.50)	(8.92)	(25.95)
Present Value of Defined Benefit Obligation as on 31st March, 2019	91.05	85.39	595.91	584.77

Change in Fair value of Plan Assets

Fair Value of plan assets as on 01.04.2018	-	-	-	-
Actual return on plan assets	-	-	-	-
Contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair Value of plan assets as on 31.03.2019	-	-	-	-

Other Comprehensive Income

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2018-19	2017-18	2018-19	2017-18
Actuarial (gains) / losses				
change in demographic assumptions	-	-	-	-
change in financial assumptions	(6.50)	3.27	(9.20)	(2.55)
experience variance (i.e. Actual experience vs assumptions)	4.64	(13.77)	0.28	(23.40)
others	-	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	(1.86)	(10.50)	(8.92)	(25.95)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Major Actuarial Assumptions

(₹ in Lakhs)

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)	
		2018-19	2017-18	2018-19	2017-18
Financial Assumptions					
Discount Rate	Conductor	7.56%	7.71%	7.56%	7.71%
(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	7.10%	7.60%	7.10%	7.60%
	Chemical	7.56%	7.71%	7.56%	7.71%
Salary increase	Conductor	5.00%	5.00%	5.00%	5.00%
(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%
	Chemical	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%
	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	2018-19	2018-19
Present Value of Obligation at the end of the period	91.05	595.91
Impact due to increase of 0.50 %/1.00%	(4.22)	(21.46)
Impact due to decrease of 0.50 %/1.00%	4.81	23.37
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	91.05	595.91
Impact due to increase of 0.50 %/1.00%	4.88	23.66
Impact due to decrease of 0.50 %/1.00%	(4.34)	(22.07)

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)	Gratuity (Non-Funded)
	2018-19	2018-19
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	19.54	144.69
1 to 6 years	39.19	197.86
More than 6 years	42.77	470.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Risk Exposures

(₹ in Lakhs)

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.

Intercontinental Trading & Investment

Orient Bonds and Stock Limited

Paramount Enterprises Limited

Director(s)/ Key Managerial Personnel :

Mr Raghavendra Anant Mody, Chairman & Whole Time Director

Mr Shyam Sunder Bhuwania, Vice Chairman & Managing Director

Mr Deepak Kejriwal, Whole Time Director & CFO

Mr Murari Lal Birmiwala, Senior Vice President Finance & Company Secretary

Mr Vivek Dayaram Kohli, Director (till 30.10.2018)

Mr Parag Dadeech, Executive Director & CEO at Hindusthan Speciality Chemicals Ltd

Mr Deepak Kumar Ajmera, Chief Financial Officer at Hindusthan Speciality Chemicals Ltd (till 17.08.2018)

Mr Rahul Sahni, Chief Financial Officer at Hindusthan Speciality Chemicals Ltd (from 13.02.2019)

Mr Neeraj Jain, Company Secretary at Hindusthan Speciality Chemicals Ltd.

Relatives of Director(s)/Key Managerial Personnel :

Mrs Sanchita Mody

Mrs Nirmala Bhuwania

Others

Hindusthan Vidyut Products Ltd Employees Provident Fund Trust

Hindusthan Engineering & Industries Ltd.

Promain Ltd.

Mody Education Foundation

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 31.03.2019	Year ended 31.03.2018
Sale of capital goods		
Hindusthan Engineering & Industries Ltd.	-	5.57
Mody Education Foundation	0.12	1.34
Purchase of Misc Items		
Hindusthan Engineering & Industries Ltd.	-	4.10
Rent paid /payable		
Promain Limited	24.78	24.62
Mrs Nirmala Bhuwania	-	2.70
Mr Krishan Kumar Birmiwala	-	0.59
Mrs Shilpi Birmiwala	-	0.45
Mrs Madhu Garg	-	0.32
Mrs Sumita Kejriwal	-	1.46
Mr Behari Lal Kejriwal	-	0.45
Hindusthan Engineering & Industries Ltd	0.14	0.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Professional Fee paid/payable		(₹ in Lakhs)
Mr Raghavendra Anant Mody	-	2.50
Dividend Paid :		
Hindusthan Consultancy & Services Ltd.	7.09	7.09
Reimbursement of Expenses Paid /Payable		
Hindusthan Engineering & Industries Ltd.	3.49	-
Brand Fee Paid		
Hindusthan Consultancy & Services Ltd.	7.50	-
Provident Fund Deposit (Paid/Payable)		
Hindusthan Vidyut Products Ltd Employees Provident Fund Trust	131.78	127.25
Interest Paid / Payable		
Hindusthan Engineering & Industries Ltd	2,466.71	473.21
Hindusthan Consultancy & Services Ltd.	-	18.08
Loan - Received		
Hindusthan Consultancy & Services Ltd.	-	1,500.00
Loan - Repaid		
Hindusthan Engineering & Industries Ltd	7,068.80	36.57
Hindusthan Consultancy & Services Ltd.	-	1,500.00
Issue of Preference Shares in Lieu of Loan Payable (including Interest)		
Hindusthan Engineering & Industries Ltd	9,518.97	-
Issue of Equity Shares of Hindusthan Speciality Chemicals Ltd		
Hindusthan Consultancy & Services Ltd.	3,000.00	-
Intercontinental Trading & Investment	250.00	-
Orient Bonds and Stock Limited	1,450.00	-
Paramount Enterprises Limited	1,300.00	-
Security Amount Received/Given for Appointment of Director		
Promain Ltd.	1.00	-
Security Amount Refund given/received for Appointment of Director		
Promain Ltd.	1.00	-

ii) With Directors/Key Managerial Personnel

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Remuneration to Key Managerial Personnel:		
Mr Raghavendra Anant Mody	57.33	36.03
Mr Shyam Sunder Bhuwania	64.76	102.40
Mr Vivek Dayaram Kohli	-	112.00
Mr Anil Kumar Chandani	-	42.71
Mr Deepak Kejriwal	47.07	42.53
Mr Murari Lal Birmiwala	36.04	34.25
Mr Parag Dadeech	117.66	121.32
Mr Deepak Kumar Ajmera	13.36	30.84
Mr Rahul Sahni	2.78	-
Mr Neeraj Jain	8.22	8.34
Sitting Fees :		
Mr Rajendra Prasad Mody	-	0.10
Mr Vikram Aditya Mody	-	0.10
Mr Raghavendra Anant Mody	0.10	0.15
Mr Shyam Sunder Bhuwania	0.60	0.52
Mr Vivek Dayaram Kohli	0.10	0.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Dividend Paid :	(₹ in Lakhs)	
Mr Rajendra Prasad Mody	-	-
Mr Shyam Sunder Bhuwania	-	-
Mr Vivek Dayaram Kohli	-	-
Mr Deepak Kejriwal	-	-
Mr Murari Lal Birmiwala	-	-
Mrs Nirmala Bhuwania	0.02	0.02

Salary paid to relative of Director(s)/ Key Managerial Personnel:

Mrs Sanchita Mody	49.60	46.08
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Particulars	As at March 31,2019	As at March 31,2018
Outstanding - Receivable		
Hindusthan Engineering & Industries Ltd	-	8.72
Outstanding - Other Payable		
Hindusthan Engineering & Industries Ltd	9.29	9.29
Outstanding - Loan taken (including interest)		
Hindusthan Engineering & Industries Ltd	-	9,370.12
Guarantees and collaterals by the Group		
Hindusthan Engineering & Industries Ltd	572.24	607.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

35 Segment Reporting

(₹ in Lakhs)

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. **Real-estate :** Real-estate includes Property at Faridabad given for rent purpose.

d. **Speciality Chemicals:** Speciality Chemicals includes business of Subsidiary Company "Hindusthan Speciality Chemicals Ltd."

e. **Others :** This segment is engaged in power generation, investment activities (wind power business sold out w.e.f. 14th June, 2018)

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, 2019

Segment Information for the year ended 31st March, 2019								
Particulars	Conductor	Insulators	Real-estate	Speciality Chemicals	Others	Un Allocated	Total	
Revenue from Operations (Gross)	49,115.56	20,324.72	348.62	882.97	117.64	-	70,789.51	
	(48,322.71)	(21,807.97)	(84.79)	(1,321.45)	(330.63)	-	(71,867.55)	
Results								
Segment result	1,793.84	2,644.54	241.60	(447.63)	68.72	-	4,301.08	
	(2,256.66)	(1,775.93)	15.81	262.38	(125.19)	-	(3,879.59)	
Interest Income						115.73	115.73	
						(141.08)	(141.08)	
Finance cost						3,298.83	3,298.83	
						(3,776.77)	(3,776.77)	
Unallocable Corporate Expenditure						798.44	798.44	
						(896.77)	(896.77)	
Profit /(Loss) before taxation & exceptional items							319.53	
							652.88	
Exceptional Items	91.63	-	-	28.97	-	-	120.60	
	231.02	-	-	-	-	-	231.02	
Net Profit/ (Loss) before tax							198.93	
							421.86	
Tax Expenses							583.12	
							359.24	
Net Profit/ (Loss) before tax							(384.19)	
							62.62	
Other Information	As at							
Segment assets	Mar 31, 2019	28,504.00	23,409.83	20,613.54	28,775.89	-	74.36	101,377.62
	Mar 31, 2018	(29,193.94)	(22,077.96)	(20,347.56)	(17,728.84)	(2,130.29)	(134.47)	(91,613.06)
Segment liabilities	Mar 31, 2019	18,771.59	10,028.98	98.87	15,434.57	-	7,059.94	51,393.95
	Mar 31, 2018	(15,082.39)	(22,019.28)	(34.26)	(10,484.54)	(290.96)	(3,698.74)	(51,610.17)
Capital Employed	Mar 31, 2019	9,732.41	13,380.85	20,514.67	13,341.32	-	(6,985.57)	49,983.68
	Mar 31, 2018	(14,111.55)	(58.68)	(20,313.30)	(7,244.29)	(1,839.34)	3,564.27	(40,002.89)
Capital expenditure	Mar 31, 2019	144.81	151.08	267.73	12,255.03	-		12,818.65
	Mar 31, 2018	(102.18)	(885.81)	-	(6,765.21)	-		(7,753.20)
Depreciation	Mar 31, 2019	848.02	613.25	11.43	138.36	22.89		1,633.95
	Mar 31, 2018	(874.26)	(618.36)	(9.00)	(80.41)	(106.63)		(1,688.66)
Figures in brackets represents previous year(s).								

Figures in brackets represents previous year(s).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

B Secondary segment (geographical segment):

For the year ended 31st March, 2019

Particulars	March 31, 2019	March 31, 2018
a) Revenue from operations by geographical location of customers (Gross)		
Within India	69,754.44	70,070.00
Outside India	1,035.07	1,797.55
Total	70,789.51	71,867.55
b) Carrying amount of segment assets		
Within India	1,01,012.73	90,699.59
Outside India	364.89	913.47
Total	1,01,377.62	91,613.06
c) Capital expenditure		
Within India	12,818.65	7,753.20
Outside India	-	-
Total	12,818.65	7,753.20

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

36 Tax Expense

(₹ in Lakhs)

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current Tax :		
Current tax for the Year	154.23	-
Add: For earlier years Short/ (Excess) Provision	-	-
Less: MAT Credit entitlement	-	-
Total Current Tax	154.23	-
Deferred Tax :		
Fixed Assets/Depreciation	1,093.18	(190.58)
Provision for Gratuity / Leave Encashment	(22.78)	45.91
Un Absorbed Depreciation/ Brought forward Losses	(641.51)	(194.39)
Others	-	(20.18)
Total Deferred Tax	428.89	(359.24)

(b) Tax on Other Comprehensive Income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Deferred Tax :		
(Gain)/Loss on remeasurement of defined benefit plans	2.68	(8.68)
Total Deferred Tax	2.68	(8.68)

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before tax	198.93	(421.86)
Tax using the domestic tax rate	-	-
Tax effect of :		
Non-deductible tax expenses	428.89	(359.24)
Deductible tax expenses	154.23	-
Total tax expenses in the statement of profit and loss	583.12	(359.24)

(d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2019	As at April 1, 2018	Charge/(Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2019
Property, Plant & Equipment	4,258.13	187.03	-	-	4,445.17
Depreciation	2,964.19	906.15	-	-	3,870.34
Equity Component of Preference Share Capital	-	-	-	2,429.71	2,429.71
Provision for Gratuity & Leave Encashment	(214.89)	(22.78)	0.27	-	(237.40)
Provision for Doubtful Debts	(392.54)	-	-	389.11	(3.43)
Un-absorbed Depreciation/ Brought forward Losses	(1,255.03)	(641.51)	-	-	(1,896.54)
Other temporary differences	(767.29)	-	2.41	111.03	(653.85)
MAT Credit Entitlement	(898.01)	-	-	-	(898.01)
Total	3,694.56	428.89	2.68	2,929.85	7,055.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

37 Earnings Per Share		(₹ in Lakhs)	
Particulars	Year ended 31.03.2019	Year ended 31.03.2018	
Profit/ (Loss) after Tax and exceptional items	(384.19)	(62.62)	
Profit attributable to:			
Owners of the Company	(281.72)	(62.62)	
Non-controlling interests	(102.47)	-	
Basic/weighted average number of equity shares outstanding during the year	14.43	14.43	
Nominal value of Equity Share	10	10	
Basic/Diluted EPS			
On Profit after Tax and exceptional items	(19.52)	(4.34)	

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, 2019	As at March 31, 2018
Finance costs	1,304.36	490.23
Other Expenses	1,488.21	567.24
	2,792.56	1,057.46
Add : Brought forward from Previous year	2,964.62	1,907.16
	5,757.18	2,964.62
<i>Less : Capitalised as part of</i>		
Plant & Machinery	3,574.14	-
Buildings	2,163.13	-
Others	19.91	-
	-	-
Carried forward under Capital work in progress	-	2,964.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

39 Other Disclosures to Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018		
(a) NET GAIN/(LOSS) ON FOREIGN EXCHANGE				
SUNDRY DEBTORS				
For Export	126.47	115.87		
SUNDRY CREDITORS				
For Import	(16.85)	(15.07)		
For Foreign Currency Loan	(24.85)	(6.20)		
Others	(0.63)	(0.12)		
	84.14	94.48		
(b) PAYMENT TO AUDITORS (including branch auditor)				
- Audit fees	3.85	3.68		
- Out of Pocket Expenses	0.37	0.32		
- Tax Audit	0.65	0.63		
- For Certification	1.94	0.71		
	6.81	5.33		
(c) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED				
Sundry Debtors Credit Balance Written off	6.62	-		
Sundry Credit Balance Written off	554.62	58.65		
Carriage Inwards/ Outward	-	6.99		
Jobs on Contract	1.60	2.51		
Vat/Duty	-	3.36		
Stores, Spares & Packing material	-	0.68		
Liquidated Damages	3.41	-		
Provision for Bonus, Variable Pay etc.	40.66	8.05		
Others	3.36	-		
	610.27	80.24		
(d) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS				
Raw Material	2,248.91	1,774.91		
Components & Spare Parts	208.39	61.22		
Capital Goods	441.15	-		
	2,898.46	1,836.13		
(e) EXPENDITURE IN FOREIGN CURRENCY				
Interest / Bank Charges	13.86	8.85		
Commission	8.98	6.99		
Others	88.04	30.90		
	110.88	46.74		
(f) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %				
IMPORTED				
Raw Materials	1,380.34	2.63%	1,228.36	2.60%
Stores and Spare Parts	119.11	8.80%	43.20	1.87%
INDIGENOUS				
Raw Materials	51,192.42	97.37%	46,076.52	97.40%
Stores and Spare Parts	1,241.13	91.20%	2,271.16	98.13%
	53,933.00		49,619.24	
(g) EARNINGS IN FOREIGN EXCHANGE				
Exports (F.O.B.)	1,035.07		1,726.06	
Freight & Insurance on Export	11.52		37.24	
Domestic sales in foreign currency	7,271.64		-	
	8,318.23		1,763.30	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

40. Financial Instruments : Fair Value Measurement

(₹ in Lakhs)

Financial Assets & Liabilities	Note	Level of hierarchy	31 March 2019			31 March 2018		
			FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets								
Investments in quoted equity instruments	(c)	Level 1	-			461.32		
Investments in unquoted equity instruments	(b)				30.00			30.00
Investments in Mutual Funds	(c)	Level 1	-			309.29		
Trade receivables	(a)				22,227.15			20,765.41
Loans	(a, b)				1,720.38			20.49
Cash and cash equivalents	(a)				458.00			2,445.09
Other bank balances	(a, b)				248.44			271.40
Derivative financial assets	(d)	Level 2	-			2.75		
Other financial assets	(a)				173.27			245.10
Total financial assets			-	-	24,857.24	773.36	-	23,777.48
Financial liabilities								
Non-current borrowings (including other current maturities)	(b)				16,748.21			20,868.45
Current borrowings	(a)				9,371.14			5,413.41
Trade payables	(a)				15,504.20			16,019.89
Derivative financial liabilities	(d)	Level 2	-			(1.02)		
Other financial liabilities	(a)				1,039.63			447.73
Total financial liabilities			-	-	42,663.18	(1.02)	-	42,749.48

Note:

- 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.
- 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.
- The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.
- Derivatives are carried at fair value at each reporting date. The fair values of the derivatives 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.
- There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2019 and 31 March 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

41. Financial Risk management

(₹ in Lakhs)

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 available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate 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 they 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 available 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 ₹ 2938.559 Lakhs (31 March 2018: ₹ 3050.34 Lakhs). Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2019	31 March 2018
Balance at the beginning of the year	1,134.19	1,134.19
Add: Provided during the year (net of reversal)	-	-
Less: Amount written off/ translation adjustment	1,123.91	-
Balance at the end of the year	10.28	1,134.19

Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible 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 expected loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on Consolidated 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 far 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 has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by having adequate amount of credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

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.

As at 31 March 2019	Carrying amount	Contractual cash flows		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	26,119.35	26,119.35	10,453.92	15,665.43
Trade payables	15,504.20	15,504.20	15,504.20	-
Other financial liabilities	1,039.63	1,039.63	1,039.63	-
As at 31 March 2018				
Non-derivative financial liabilities				
Borrowings (1)	26,281.86	26,281.86	6,676.12	19,605.74
Trade payables	16,019.89	16,019.89	16,019.89	-
Other financial liabilities	447.73	447.73	447.73	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

iii. Market risk

(₹ in Lakhs)

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 primarily 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 2019			31 March 2018		
	USD	GBP	EURO	USD	GBP	EURO
Cash and cash equivalents	2,336			2,336		
Trade receivable	6,06,277		3,67,959	5,69,164	3,26,153	
Loans						
Other financial assets						
Trade payables	(4,58,813)			(2,91,080)		
borrowings	-	(1,28,243)		(6,89,774)	(1,39,450)	-
Other financial liabilities						
Net exposure	1,49,800	(1,28,243)	3,67,959	(4,09,354)	1,86,703	-

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 2019		
USD (1% movement)	1,498.00	(1,498.00)
GBP (1% movement)	(1,282.43)	1,282.43
EUR (1% movement)	3,679.59	(3,679.59)
31 March 2018		
USD (1% movement)	(4,093.54)	4,093.54
GBP (1% movement)	1,867.03	(1,867.03)
EUR (1% movement)	-	-

Interest rate risk

Interest rate risk is the risk that the fair value of future 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 maintaining an appropriate mix between 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 2019	As at 31 March 2018
Fixed-rate borrowings	3.08	53.08
Floating rate borrowings	26,116.27	26,228.78
Total borrowings (gross of transaction costs)	26,119.35	26,281.86

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding 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 2019 would decrease / increase by ₹ 65.29 lakhs (31 March 2018: ₹ 65.57 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

42. Capital Management

(₹ in Lakhs)

Risk management

The Group's objectives when managing capital are to:

- safeguarding 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 Consolidated Balance sheet, including non-controlling interest).

The gearing ratios were as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Net debt	25,316.51	23,336.94
Total equity	49,983.68	40,002.89
Net debt to equity ratio	0.51	0.58

Dividends

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Equity Shares	14,42,885	14,42,885
Final dividend for the year ended 31 March 2018 of ₹ 1/- per fully paid equity share (31 March 2017 of ₹ 1/- per fully paid up equity share)	14.43	14.43
(ii) Preference Shares	9,51,89,700	-
The Board of Directors have recommended not to pay any Dividend on Preference Shares this year	-	-
(iii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended not to pay any Dividend this year on equity shares as well as on Preference Shares (31 March 2018: ₹ 1 per fully paid equity share).	-	14.43
This is subject to the approval of shareholders in the ensuing annual general meeting.		

- 43 The Company is entitled to Scheme of budgetary support' under Goods and Service Tax Regime in respect of its eligible manufacturing unit located at Guwahati (Assam). Such grants are measured at amount receivable from the government and are recognised as other operating revenue as there is a reasonable assurance that the Company will comply all necessary conditions attached to that. GST Benefit accounted during the year is ₹ 21.44 Lakhs (Previous year : ₹ 41.53 Lakhs).

- 44 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification disclosure.

- 45 The financials statements has been approved by the Board on 28th May, 2019.

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.

Name of entity	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other comprehensive Income		Share in Total comprehensive income	
	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 *	73.11%	36,544.85	-45.75%	175.76	86.03%	4.81	-47.69%	180.57
Subsidiary								
Hindusthan Speciality Chemicals Limited	15.09%	7,541.33	119.08%	(457.48)	11.45%	0.64	120.67%	(456.84)
Minority Interest in subsidiary	11.80%	5,897.50	26.67%	(102.47)	2.53%	0.14	27.03%	(102.33)
Total	100.00%	49,983.68	100.00%	(384.19)	100.00%	5.59	100.00%	(378.60)

* Inter unit transaction profit eliminator done for ₹ 46.81 lakhs (previous year ₹ 39.10 lakhs) 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

(B.R. Goyal)
Partner
M.No.12172

Place: New Delhi
Date: 28th May, 2019

Raghavendra Anant Mody
(DIN: 03158072)
Chairman and
Whole Time Director

S.S. Bhuwania
(DIN: 00107171)
Vice Chairman and
Managing Director

Deepak Kejriwal
(DIN: 07442554)
Whole Time Director & CFO

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

**STATEMENT CONTAINING SILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/
ASSOCIATE COMPANIES/JOINT VENTURES:**

Form AOC-I

(₹ in Lakhs)

(Persuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules,2014)

Part "A" : Subsidiaries

SI No.	1
Name of subsidiary	Hindusthan Speciality Chemicals Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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
Share Capital	14,459.14
Reserves & Surplus	(1,020.31)
Total Assets	28,873.40
Total Liabilities	28,873.40
Investment	30.00
Turnover	882.97
Profit before taxation	(503.43)
Provision for taxation	56.52
Profit after taxation	(559.95)
Proposed Dividend	-
% of Shareholding	58.50%

