



HINDUSTHAN UDYOG LTD.

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

Date: 22nd April, 2021

The Secretary
Department of Corporate Services
BSE Limited
P. J. Towers, 25th Floor, Dalal Street
Mumbai – 400001

SUB: NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS

Dear Sir,

With reference to the above, we wish to inform you that a Meeting of the Equity Shareholders of the Company shall be held on Friday, 21st May, 2021, in terms of an order dated 22nd February, 2021 of the National Company Law Tribunal, Kolkata Bench.

A copy of the Notice along with its Annexures is enclosed herewith.

The above is for your information and records.

Thanking you.

Yours Faithfully,

FOR HINDUSTHAN UDYOG LIMITED

**[SHIKHA BAJAJ]
COMPANY SECRETARY & COMPLIANCE OFFICER**

ENCL: AS ABOVE

Form No. CAA.2

[Pursuant to section 230(3) of the Companies Act, 2013 read with Rule 6 and Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

National Company Law Tribunal, Kolkata Bench
C.A. (CAA) No. 13/KB/2021

In the matter of: (1) Tea Time Limited (Transferor Company 1), Orient International Limited (Transferor Company 2), Neptune Exports Limited (Transferor Company 3), Northern Projects Limited (Transferor Company 4), and Hindusthan Udyog Limited (Transferee Company) Applicants

To
Equity Shareholders of
Hindusthan Udyog Limited, Transferee Company

Notice of meeting of equity shareholders of Hindusthan Udyog Limited

Notice is hereby given that by an order dated 22nd February 2021 (received on 24th March, 2021) the Kolkata Bench of the National Company Law Tribunal has directed a meeting to be held of equity shareholders of Hindusthan Udyog Limited for the purpose of considering, and if thought fit, approving with or without modification, the scheme of amalgamation proposed to be made inter-alia between the said company and the equity shareholders of the company aforesaid.

In pursuance of the above order and as directed therein further notice is hereby given that a meeting of equity shareholders of the said company will be held at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata - 700046 on Friday, 21st May 2021 at 2:00 PM at which time and place the said members are requested to attend. At the meeting the following resolution will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED that pursuant to the provisions of section 230 to 232, and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as maybe applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and the observation letters issued by

the BSE Limited dated 13th November, 2020 and the Calcutta Stock Exchange Limited dated 20th November, 2020 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which maybe agreed to by the Board of Directors of the Company, the scheme of amalgamation between Tea Time Limited, Orient International Limited, Neptune Exports Limited, Northern Projects Limited and Hindusthan Udyog Limited placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any which may be required and/or imposed by the NCLT while sanctioning the scheme of amalgamation, or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

Copies of the said scheme of amalgamation, and of the statement under section 230 can be obtained free of charge at the registered office of the company.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the company not later than 48 hours before the meeting.

Forms of proxy can be had at the registered office of the company.

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44(1) of SEBI (LODR) Regulations, 2015, the Company is providing

members the facility to exercise their right to vote on resolution proposed to be considered at the meeting by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Meeting ("remote e-voting") will be provided by NSDL.

The Tribunal has appointed Mr. Soumitra Lahiri as chairperson of the said meeting. The above mentioned scheme of amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the explanatory statement under section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, the Scheme and other enclosures are enclosed herewith.

Dated this 5th April 2021.

Sd/-

Mr. Soumitra Lahiri
Chairperson appointed for the meeting

Instructions for e-voting

1. The facility for voting through Ballot Paper shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
2. The members who have cast their vote by remote e-voting prior to the meeting may also attend the Meeting but shall not be entitled to cast their vote again.
3. The remote e-voting period shall commence on 18th May, 2021, Tuesday, 9:00 AM and end on 20th May, 2021, Thursday, 5:00 PM. During this period the members of the Company as on the cut-off date of 13th May, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
4. The procedure to login to e-voting website consists of two steps as detailed hereunder:-

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

- a) Visit the e-Voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com>.
- b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- d) Your User ID details are given below :
 - i) For Members who hold shares in demat account with NSDL.
8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - ii) For Members who hold shares in demat account with CDSL.
16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - iii) For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
- e) Your password details are given below:
 - i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - iii) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

- f) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- i) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - ii) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting System of NSDL.
- g) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- h) Now, you will have to click on "Login" button.
- i) After you click on the "Login" button, Home page of e-Voting will open.

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

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

- c) Select "EVEN" of the Company for which you wish to cast your vote.
- d) Now you are ready for e-Voting as the Voting page opens.
- e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- f) Upon confirmation, the message "Vote cast successfully" will be displayed.
- g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to praveenshroffbks@gmail.com with a copy marked to evoting@nsdl.co.in.
- j) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "~~Forgot User Details/Password?~~" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 or send a request at evoting@nsdl.co.in.

- 5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 13th May, 2021.
- 6. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 13th May, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Issuer at kkg@hul.net.in.

7. A person, whose name is recorded in the Register of Members as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through ballot paper.
8. Mr. Praveen Kumar Shroff, Company Secretary in Practice (Membership No. 059542) has been appointed as the Scrutinizer for providing facility to the Members of the Company and to scrutinize the voting and remote e-voting process in a fair and transparent manner.
9. The Chairman of Meeting shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.
10. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website and on the website of NSDL immediately after its declaration and shall also be communicated to the Stock Exchanges.

Explanatory statement under section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. Pursuant to the order dated 22nd February 2021 (and received on 24th March, 2021) passed by the Kolkata Bench of the Hon'ble National Company Law Tribunal in C.A. (CAA) No. 13/KB/2021 filed jointly by Tea Time Limited (Transferor Company No. 1), Orient International Limited (Transferor Company No. 2), Neptune Exports Limited (Transferor Company No. 3) Northern Projects Limited (Transferor Company No. 4), and Hindusthan Udyog Limited (Transferee Company) a meeting of the equity shareholders of Hindusthan Udyog Limited, Transferee Company, is being convened at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata- 700046 on Friday, the 21st day of May, 2021 at 2:00 PM, for the purpose of considering and if thought fit, approving, with or without modification(s), the arrangement embodied in the proposed Scheme of Arrangement and Amalgamation between the applicants.

2. Details of the company:

(a) Corporate Identification Number (CIN) - L27120WB1947PLC015767

(b) Permanent Account Number - AAACH6606G[

(c) Name of the company - Hindusthan Udyog Limited.

(d) Date of incorporation - 3rd September, 1947

(e) Type of the company - Public Company

(f) Registered office address and e-mail address - Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata- 700046, kkg@hul.net.in

(g) The objects of the company as provided in the main object in its Memorandum of Association is inter alia as follows:-

1. *To carry on the business of steel fabrication, iron founders, cast iron castings, die & pressure die castings, and to run, operate, steel foundries, mini steel plant and to manufacture, buy, sell, exchange, refine, smelt, prepare, work, alter, improve, import, export and otherwise deal in round, square, flat steel or sheets, deformed bars, machine, parts, buckets, corrugated sheets, screws, bolts, nuts, nails, rods, plates, tubes, bends, sockets, flanges, fittings, tees, beams, joists, tools, implements, torsteel, torkari and other articles and things made of iron,*

steel and other metals.

2. *To carry on the business of mechanical engineers and manufacturers of agricultural implements and other machinery, tools makers, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths and general iron and steel processors, wire-drawers, galvanisers, enamellers, electroplaters, tin plate makers, boiler makers, anodisers, metallurgists and iron masters.*
3. *To purchase, take on lease or otherwise acquire any iron and steel manufacturing unit or units, iron foundries, workshop, rolling mills, steel casting sheds, arc furnaces, wire drawing units and other going concern dealing in metals and minerals.*
4. *To carry on the business or businesses of manufacturers, importers and exporters of and dealers in sheet metals (ferrous and non-ferrous) and sheet metal articles and in ferrous and non-ferrous castings of all kinds and in particular galvanised buckets, fire buckets, bath tubs, mugs, drums, tanks, tin containers, and other articles for carrying or storing water, oil and other materials, solid or liquid, suit cases, trunks, boxes, tables, chairs, shelves, almirahs, safe, and other kind or steel, and metal furniture, chimneys, pipes, ridgings, ventilators roofings, dust-bins, hand carts, municipal carts, and all such other articles, pans, rice bowls, cooking pots and hollow wares of all kinds; cooking stoves of all description and their accessories, cast iron pipes and fittings, railings, stair cases, ventilators and all building materials, manhole covers, surface boxes, cisterns, weights and castings of all description, big and small, chilled and malleable castings, special alloy castings, steel castings, gun-metal, copper, brass and aluminium castings and foundry works of all kinds; hurricane lanterns and other kinds of lanterns and lamps and all their parts and accessories, oil stoves, gas stoves and other kinds of stoves, cookers, torches, batteries and all their parts anti accessories, gates and railings, collapsible gates and grills, stairs, columns, trusses, metal doors and windows and other buildings materials, bolts and nuts, rivets, washers, wire nails, screws, hinges, hook bolts, tower bolts, dogspikes, signaling materials and railway carriage and wagon fittings, and die and press work of all kinds rods, bars, wires, sheets and all kinds of ferrous and non-ferrous rolling works, mill, factory, tea garden and colliery requisites of all kinds.*
5. *To carry on the business of cultivating, growing, processing, blending, packing tea and to sell, dispose of export, import and otherwise deal in tea either in its raw or manufactured state either in whole sale or retail either in packed or loose form.*
6. *To carry on the business of public carriers, transporters and carrier of goods, passengers, merchandise and other products and goods and luggage of all kinds and description in any part of India and elsewhere on land, water and air by any conveyances whatsoever.*
7. *To buy, sell, deal in or to act as distributors, stockists, importers, exporters, area*

representatives, manufacturers agents, whole selling agents for all kinds of building and construction materials, machineries and tools, stores, hardware items, tea-garden implements and stores including pig iron, hard coke, coal, G. C. Sheets, asbestos sheets, R. C. Posts, CTC segments, Cement, wire, fencing, hoop iron, pallets, chests and various other merchandise whether produced In India or elsewhere."

- (h) The company is presently engaged in the business of manufacturing and sale of alloy and stainless steel castings.
- (i) details of change of name, registered office and objects of the company during the last five years - Not Applicable
- (j) name of the stock exchange where securities of the company are listed - Bombay Stock Exchange and Calcutta Stock Exchange.
- (k) The Authorized Share Capital of the Company is Rs. 54,50,00,000/- divided into 485,00,000 Equity Shares of Rs.10/- each and 60,00,000 10% Cumulative Redeemable Preference Shares of Rs.10/- each. The Issued, Subscribed and Paid-Up Share Capital of the Company is Rs. 7,17,67,250/- divided into 71,76,725 Equity Shares of Rs. 10/- each fully paid. Additionally, the Company has also issued 60,00,000 10% Cumulative Redeemable Preference Shares of Rs.10/- each.
- (l) The Promoters of the company are as follows:-

	Name of the Promoters	Address	No. of shares held in the company
1.	V. N. Enterprises Limited.	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	16,59,625
2.	Bengal Steel Industries Limited	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	5,98,600
3.	Tea Time Limited	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	5,94,600
4.	Neptune Exports Limited	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	5,90,400
5.	Orient International Limited	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	5,46,850
6.	Prakash Agarwal	5, Raja Santosh Road	5,16,200

		Kolkata-700027	
7.	Asutosh Enterprises Limited	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	4,57,500
8.	Premlata Agarwal	5, Raja Santosh Road Kolkata-700027	1,79,625
9.	HSM Investments Limited	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	1,15,600
10.	HSM International Private Limited	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046	1,08,500
11.	Vishwanath Agarwal	5, Raja Santosh Road Kolkata-700027	12,410
		TOTAL	53,79,910

(m) The composition of the Board of Directors of the company is as follows:-

	Name of the Director	Address
1.	Prakash Agarwal	5, Raja Santosh Road Kolkata-700027
2.	Vishwanath Agarwal	5, Raja Santosh Road Kolkata-700027
3.	Bal Krishna Mawandia	Rameshwar Narayan Agrawala Road, Near Kotwali Police Station, Chunihari Tola, Bhagalpur, Bihar- 812002
4.	Kiran Darulia	Vijay Laxmi Apartment, 2 nd Floor, Flat No. 5, 1, Balasubramaniam Colony, Mylapore, Chennai-600004
5.	Sanjib Kumar Roychowdhury	12/12, Nawab Abdul Latif Street, Kamarhati (M), Belghoria, Kolkata-700056

3. The applicant companies have inter-se holdings and common directors. The applicant companies are within a common management and control.
4. The draft scheme was unanimously approved by the Board of Directors of the company vide resolution passed in the meeting held on 21st March, 2020.
5. Explanatory statement disclosing details of the scheme of compromise or arrangement including:-

- (a) The scheme of arrangement and amalgamation is between Tea Time Limited (Transferor Company No. 1), Orient International Limited (Transferor Company No. 2), Neptune Exports Limited (Transferor Company No. 3) Northern Projects Limited (Transferor Company No. 4) and Hindusthan Udyog Limited (Transferee Company).
- (b) For the purpose of the scheme the Appointed Date (for amalgamation) is 1st April, 2019 and the Effective Date has been defined as "the date on which the scheme becomes effective, i.e., on the date when the certified copy of the order to be passed by the Hon'ble National Company Law Tribunal, Kolkata Bench under section 230 and 232 is filed with the Registrar of Companies."
- (c) The share exchange ratio is as follows:-
- The Transferee Company shall allot 100 equity shares of Rs. 10/- each in the Transferee Company:
- for every 807 equity shares of Rs. 10/- each held as fully paid up in Transferor Company No. 1;
 - for every 2,555 equity shares of Rs. 10/- each held as fully paid up in Transferor Company No. 2;
 - for every 936 equity shares of Rs. 10/- each held as fully paid up in Transferor Company No. 3; and
 - for every 837 equity shares of Rs. 10/- each held as fully paid up in Transferor Company No. 4.
- (d) For the purpose of arriving at the share exchange ratio, an independent valuation report from Vikash Goel, Registered Valuer dated 20th March, 2020 has been obtained. Assets approach has been adopted for valuation of companies on the basis of their audited financial statements as on 31st March, 2019. It is further declared that the valuation report is available for inspection by the equity shareholders of the Company at the registered office upto one day prior to the date of the meeting between 11:00 am and 5:00 pm on all working days.
- (e) It is further provided that the proposed scheme does not contemplate any corporate debt restructuring.
- (f) The rationale and benefit of the proposed scheme of amalgamation have been duly provided for and captured in the scheme attached with this notice/explanatory statement.

- (g) The total amount due to unsecured creditors of the Company is Rs. 16,55,49,390/- as on 31st December, 2020. There are 117 usual unsecured creditor as on 31st December, 2020 arising out of day-to-day operations of the Company.
6. The scheme does not have any prejudicial effect on any key managerial personnel, directors, promoters, non-promoter members, creditors and employees of the company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
 7. None of the Directors, and Key Managerial Personnel of the Company, have any material interest in the scheme, save to the extent of shares held by the Directors or KMP in the applicant companies, if any.
 8. No investigation or proceedings is pending in relation to Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 Transferor Company No. 4 and Transferee Company under the Companies Act, 2013.
 9. The following documents are available for obtaining extract from or making or obtaining copies of or for inspection by the equity shareholders of the company at its registered office upto one day prior to the date of the meeting between 11:00 am and 5:00 pm on all working days:-
 - (a) Latest audited financial statement as on 31st March, 2020 of Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3, Transferor Company No. 4 and Transferee Company.
 - (b) Copy of the order of Tribunal dated 22nd February 2021 passed by the Kolkata Bench of the Hon'ble National Company Law Tribunal in C.A. (CAA) No. 13/KB/2021 directing, inter alia, convening of separate meetings of the equity shareholders of all the applicant companies.
 - (c) Copy of scheme of arrangement and amalgamation.
 - (d) Certificate issued by Statutory Auditor of the company to the effect that the accounting treatment, if any, proposed in the scheme is in conformity with the Accounting Standards prescribed under section 113 of the Companies Act, 2013.
 10. It is further provided that there are no other contracts or agreements that are material to the proposed scheme.

11. It is confirmed that the copy of the draft scheme has been filed with the Registrar of Companies, Kolkata by the Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3, Transferor Company No. 4 and Transferee Company, respectively. In compliance with the requirement of section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed scheme. The stock exchange at which the securities of the Company are listed, i.e., BSE Limited and Calcutta Stock Exchange Limited have by their letters dated 13th November, 2020 and 20th November, 2020, respectively, confirmed that there are no 'adverse observations' in relation to the proposed scheme of amalgamation. No other approvals from regulators or governmental authorities are required at this stage nor any have been received or are pending in respect of the proposed scheme.

12. The expected capital structure and the shareholding pattern of the Company (*the Transferee Company*) pre-amalgamation and post-amalgamation are as follows :-

SL.	CATEGORY	PRE-AMALGAMATION		POST-AMALGAMATION	
		SHARE NOS.	%	SHARE NOS.	%
A.	Promoter & Promoter Group				
	- Individuals	7,08,235	9.87	8,60,536	13.89
	- Bodies Corporate	46,71,675	65.09	32,71,519	52.81
	Sub Total (A)	53,79,910	74.96	41,32,055	66.70
B.	Public (Non-Institutions)				
	- Individuals	16,23,698	22.63	18,08,454	29.19
	- Bodies Corporate	1,73,117	2.41	2,54,484	4.11
	Sub Total (B)	17,96,815	25.04	20,62,938	33.30
	Total (A + B)	71,76,725	100.00	61,94,993	100.00

13. In view of the information provided hereinabove and the documents attached along with this notice and explanatory statement the requirement of section 232(2) of the Companies Act, 2013 have been complied with.

14. A copy of the scheme and explanatory statement, form of proxy and attendance slip may be obtained from the registered office of the company at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata- 700046.
15. The person to whom this notice is sent may vote in the meeting either in person or by proxy or by voting through electronic means.

Sd/-

Mr. Soumitra Lahiri
Chairperson of the meeting

Dated this 5th day of April, 2021
Kolkata.

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT 2013
BETWEEN
TEA TIME LIMITED (“TRANSFEROR COMPANY 1”)
AND
ORIENT INTERNATIONAL LIMITED (“TRANSFEROR COMPANY 2”)
AND
NEPTUNE EXPORTS LIMITED (“TRANSFEROR COMPANY 3”)
AND
NORTHERN PROJECTS LIMITED (“TRANSFEROR COMPANY 4”)
AND
HINDUSTHAN UDYOG LIMITED (“TRANSFeree COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. BACKGROUND AND DESCRIPTION OF COMPANIES

1.1 Tea Time Limited (Transferor Company 1), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 1 is L01132WB1979 PL032246 and is inter-alia engaged in following businesses:

1. *To buy, sell, import, export, blend, package, process, mix various kinds of tea including leaf tea, dust tea, instant tea, tea bags and to do the same in India or elsewhere individually or in collaboration with others.*
2. *To carry on the business of owning, managing, operating, taking on lease, developing tea gardens and tea plantations and also to produce, cultivate, sell, purchase, manufacture all kinds of plantation products and generally to deal in all kinds of plantation products, forest products and various kinds of crops including rubber, shellac, timber, coffee, cocoa and cinchona among others and to do the same in India or elsewhere.*
3. *To carry on the business of ware housing, transporting, storing tea and other commodities and also to act as commission agents, auctioneers, distributors, and recognized export house.*

The Equity Shares of the Transferor Company 1 are listed on BSE Limited and Calcutta Stock Exchange.

1.2 Orient International Limited (Transferor Company 2), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 2 is L27310WB1981PLC034139 and is inter-alia engaged in following businesses:

1. *To carry on the business of casting, forging, rolling, refining, smelting, altering, improving, buying, selling, importing, exporting, manufacturing and otherwise*

dealing in Iron & Steel all forms, shapes and sizes and alloys thereof and of owning, operating and managing mini-steel plants.

2. *To carry on the business of casting, forging, rolling, refining, smelting, altering, improving, buying, selling, importing, exporting, manufacturing and otherwise dealing in aluminum, copper, zinc and other metals and alloys.*
3. *To carry on the business of manufacturing, buying, selling and otherwise dealing in material handling equipments, coal mining equipments and other engineering goods and to act as boiler makers, mill, wrights, smiths metallurgists and mechanical engineers.*

The Equity Shares of the Transferor Company 2 are listed on Calcutta Stock Exchange and Delhi Stock Exchange.

- 1.3 Neptune Exports Limited (Transferor Company 3), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 3 is L51909WB1982PLC034494 and is inter-alia engaged in following businesses:

1. *To carry on the business of importers, exporters, recognised export house, indenting agents and commission agents in connection with export - import business of various goods and articles and to carry on the above activity in India or elsewhere either individually or in collaboration with others.*
2. *To carry on the business of packaging, purchasing, selling and generally dealing in all kinds of goods and articles in connection with export import business and to act as retailers, wholesalers, godown keepers, stockists, aratdars or agents in connection with the above trade.*
3. *To carry on the business of buying, selling, importing exporting and otherwise, dealing in silk and silk products of every description, leather and leather goods of every kind, ordinary tea, dust tea, packaged tea, tea bags and other kinds of tea and to do the same in India or elsewhere either individually or in collaboration with others.*

The Equity Shares of the Transferor Company 3 are listed on BSE Limited and Calcutta Stock Exchange.

- 1.4 Northern Projects Limited (Transferor Company 4), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 4 is L45400WB1983PLC035987 and is inter-alia engaged in following businesses:

- (1) *To carry on the business of manufacturers, importers, exporters and founders of ferrous and non-ferrous metals, sheet metal workers, mechanical, structural, electrical and metallurgical engineers, to carry on the work of cast Iron foundry for the manufacture of all types of pipes and pipe-fittings, water reservoirs, drainage requisites Including manhole frames and covers, gratings and ladders, cast-iron-sanitary appliances and fittings including flushing cisterns, bath-tubs, wash-basins, cast iron building requisite including railing, spiral stairs, ladders, ventilators ornamental window-frames, pillars, agricultural implements including choppers, ploughs, cast iron, railway casting including sleepers, fish-plates, wheels and other fittings, household requisites and utensils including cooking*

pans, containers, coal mining and engineering requisites including pinions, tube-wheels, pump parts and other general and special castings.

- (2) *To carry on the work of mechanical and electrical engineers and to run a workshop to undertake and execute all types of mechanical and structural jobs of manufacturing, fabrication and erection of buildings and articles and to do various types of sheets, metal work including manufacturing and construction of storage tanks, buckets, drums, various types of containers and other similar items that may be easily marketable.*
- (3) *To carry on the business of financing Industrial Enterprises whether by way of making loans or advances to or subscribing to the capital of Private Industrial Enterprises in India.*
- (4) *To invest, buy, sell, transfer, hypothecate and dispose of any shares, stocks, securities, properties, bonds or any Government/Local Authority bonds & certificates, debentures whether perpetual or redeemable and debenture-stocks.*

The Transferor Company 4 is a Non-Banking Financial Institution, registered with the Reserve Bank of India vide Certificate of Registration dated 16th May, 1998 bearing registration no. 05.02409.

The Equity Shares of the Transferor Company 4 are listed on BSE Limited and Calcutta Stock Exchange.

1.5 Hindusthan Udyog Limited (Transferee Company), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferee Company is L27120WB1947PLC015767 and is inter-alia engaged in following businesses:

1. *To carry on the business of steel fabrication, iron founders, cast iron castings, die & pressure die castings, and to run, operate, steel foundries, mini steel plant and to manufacture, buy, sell, exchange, refine, smelt, prepare, work, alter, improve, import, export and otherwise deal in round, square, flat steel or sheets, deformed bars, machine, parts, buckets, corrugated sheets, screws, bolts, nuts, nails, rods, plates, tubes, bends, sockets, flanges, fittings, tees, beams, joists, tools, implements, torsteel, torkari and other articles and things made of iron, steel and other metals.*
2. *To carry on the business of mechanical engineers and manufacturers of agricultural implements and other machinery, tools makers, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths and general iron and steel processors, wire-drawers, galvanisers, enamellers, electroplaters, tin plate makers, boiler makers, anodisers, mettalaugists and iron masters.*
3. *To purchase, take on lease or otherwise acquire any iron and steel manufacturing unit or units, iron foundries, workshop, rolling mills, steel casting sheds, are furnaces, wire drawing units and other going concern dealing in metals and minerals.*
4. *To carry on the business or businesses of manufacturers, importers and exporters of and dealers in sheet metals (ferrous and non-ferrous) and sheet metal articles and in ferrous and non-ferrous castings of all kinds and in particular galvanised buckets, fire buckets, bath tubs, mugs, drums, tanks, tin containers, and*

other articles for carrying or storing water, oil and other materials, solid or liquid, suit cases, trunks, boxes, tables, chairs, shelves, almirahs, safe, and other kind or steel, and metal furniture, chimneys, pipes, ridgings, ventilators roofings, dust-bins, hand carts, municipal carts, and all such other articles, pans, rice bowls, cooking pots and hollow wares of all kinds; cooking stoves of all description and their accessories, cast iron pipes and fittings, railings, stair cases, ventilators and all building materials, manhole covers, surface boxes, cisterns, weights and castings of all description, big and small, chilled and malleable castings, special alloy castings, steel castings, gun-metal, copper, brass and alluminium castings and foundry works of all kinds; hurricane lanterns and other kinds of lanterns and lamps and all their parts and accessories, oil stoves, gas stoves and other kinds of stoves, cookers, torches, batteries and all their parts anti accessories, gates and railings, collapsible gates and grills, stairs, columns, trusses, metal doors and windows and other buildings materials, bolts and nuts, rivets, washers, wire nails, screws, hinges, hook bolts, tower bolts, dogspikes, signaling materials and railway carriage and wagon fittings, and die and press work of all kinds rods, bars, wires, sheets and all kinds of ferrous and non-ferrous rolling works, mill, factory, tea garden and colliery requisites of all kinds.

5. *To carry on the business of cultivating, growing, processing, blending, packing tea and to sell, dispose of export, import and otherwise deal in tea either in its raw or manufactured state either in whole sale or retail either in packed or loose form.*
6. *To carry on the business of public carriers, transporters and carrier of goods, passengers, merchandise and other products and goods and luggage of all kinds and description in any part of India and elsewhere on land, water and air by any conveyances whatsoever.*
7. *To buy, sell, deal in or to act as distributors, stockists, importers, exporters, area representatives, manufacturers agents, whole selling agents for all kinds of building and construction materials, machineries and tools, stores, hardware items, tea-garden implements and stores including pig iron, hard coke, coal, G. C. Sheets, asbestos sheets, R. C. Posts, CTC segments, Cement, wire, fencing, hoop iron, pallets, chests and various other merchandise whether produced In India or elsewhere.*

The Equity Shares of the Transferee Company are listed on BSE Limited and Calcutta Stock Exchange.

2. DESCRIPTION OF THE SCHEME

- 2.1 This Scheme provides, inter alia, for the amalgamation of the Transferor Companies into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Companies without winding up and the consequent issuance of the Transferee Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to the Eligible Members (as defined hereunder) in respect of each share of the Transferor Companies held by them in accordance with this Scheme ("Amalgamation") and Sections 230 to 232 along with other relevant provisions of the Act and in compliance with the provisions of the Income Tax Act, 1961.
- 2.2 The Amalgamation of the Transferor Companies into the Transferee Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act, 1961 such that, *inter alia*:

- (i) all the properties of the Transferor Companies, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;
- (ii) all the liabilities of the Transferor Companies, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation; and
- (iii) shareholders holding at least three fourths in value of the shares in the Transferor Companies, will become shareholders of the Transferee Company by virtue of the Amalgamation.

3. PURPOSE AND RATIONALE FOR THE SCHEME OF ARRANGEMENT/ AMALGMATION

The Board of the Transferor Companies and the Transferee Company are of the opinion that the proposed arrangement between the Transferor Companies with the Transferee Company will be for the benefit of all the companies in the following manner:

- a) The amalgamation will enable pooling of resource of the companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost and operational efficiencies which would be beneficial for all stakeholders.
- b) The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Transferee Company and enable it to withstand with the growing competition in the market scenario.
- c) The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- d) If the proposed amalgamation comes into effect then it will strengthen the credibility of the Transferee Company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and the Transferor Companies.

There is no likelihood that interest of any shareholder or creditor of any of the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement/Amalgamation will not impose any additional burden on the members of the Transferor Companies or the Transferee Company.

4. This Scheme is divided into the following parts:

- (i) Part I which deals with the introduction and definition, and sets out the share capital of the Transferor Companies and the Transferee Company;
- (ii) Part II which deals with the Amalgamation; and
- (iii) Part III which deals with the general terms and conditions applicable to the Scheme.

PART I

5. DEFINITIONS

- 5.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:
- (a) **“Act”** shall mean the Companies Act, 2013 as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time.
 - (b) **“Amalgamation”** shall have the meaning ascribed to it in Clause 2.1 above.
 - (c) **“Applicable Law”** shall mean any applicable law, statute, ordinance, rule, regulations, guideline or policy having the force of law, of any governmental authority.
 - (d) **“Appointed Date”** shall mean 1st April, 2019 or such other date as maybe approved by the National Company Law Tribunal, Kolkata Bench or such other appropriate authority.
 - (e) **“Board”** in relation to any of the Transferor Companies and the Transferee Company, as the case maybe, means the Board of Directors of such company and shall, where applicable, include a duly authorized committee of the Board.
 - (f) **“Effective Date”** means the date on which certified copies of the order of the National Company Law Tribunal or any appropriate authority sanctioning this scheme of Amalgamation under the applicable provisions of the Act are filed with the Registrar of Companies.
 - (g) **“Eligible Member”** shall mean the person whose name appears in the register of members of the Transferor Companies and/or whose name appears as the beneficial owner of the shares of Transferor Companies in the record of depositories on the Record Date.
 - (h) **“NCLT”** shall mean the National Company Law Tribunal at Kolkata, West Bengal.
 - (i) **“Record Date”** shall mean any date after the Effective Date to be fixed by the Board of the Transferee Company for issuing shares of the Transferee Company to the shareholders of the Transferor Companies.
 - (j) **“SEBI”** means the Securities and Exchange Board of India.
 - (k) **“SEBI Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines, etc., that may replace such regulations.
 - (l) **“SEBI Scheme Circular”** means the SEBI Circular dated March 10, 2017 bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time.
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- (m) **“Share Exchange Ratio”** shall have the meaning as ascribed in paragraph 9.1(ii) of the Scheme.
- (n) **“Transferor Companies”** shall mean and include Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4.
- (o) **“Transferee Company Shares”** shall mean fully paid up equity shares of the Transferee Company each having a face value of Rs. 10/- and one vote per share.
- (p) **“Transferor Companies Undertaking”** means and includes:
 - (i) All properties and assets, both movable and immovable, including liabilities of the Transferor Companies immediately before amalgamation;
 - (ii) Without prejudice to the generality of the foregoing clause and subject to the provisions of the Scheme, the said undertaking shall include the entire business and all the properties and assets, movable or immovable, real or personal, corporal or incorporeal, in possession or reversion, present or contingent or whatsoever nature and wheresoever situated including furniture & fixtures, office equipment, air conditioners, electrical fittings, vehicles, leasehold improvements, computer software, current assets, sundry debtors, cash and bank balances, loans and advances, motor car, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interest, benefits and advantages belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by any of the Transferor Companies including but without being limited to all trademarks, trade names, and other industrial rights of any nature whatsoever and licences in respect thereof, right to use and avail telephones, telexes, internet, facsimiles, connections, installations, utilities, electricity and other services, reserves and provisions, funds and benefit of all agreements, contracts and all other interest, duties and obligations of the Transferor Companies or which the Transferor Companies are entitled to and all debts, paper, documents and records relating to the above.

5.2 In this Scheme, unless the context otherwise requires:

- (a) reference to persons shall include individuals, body corporates (wherever incorporated), unincorporated associations and partnerships;
- (b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (c) words in the singular shall include the plural and vice versa;
- (d) any reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date; and
- (e) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have same meaning prescribed to them under the Act and other Applicable Laws.

5.3 Date of taking effect and Operative Date

Upon the occurrence of the Effective Date, the Scheme set out herein, its present form or with any modification(s) approved or imposed or directed by NCLT or any other appropriate authority, shall become operative with effect from the Appointed Date.

6. SHARE CAPITAL

- (i) The share capital structure of the Transferor Company 1 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
30,00,000 equity shares of INR 10/- each	3,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
29,03,919 equity shares of INR 10/- each	2,90,39,190

- (ii) The share capital structure of the Transferor Company 2 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
22,00,000 equity shares of INR 10/- each.	2,20,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
22,00,000 equity shares of INR 10/- each.	2,20,00,000

- (iii) The share capital structure of the Transferor Company 3 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
30,00,000 equity shares of INR 10/- each.	3,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
30,00,000 equity shares of INR 10/- each.	3,00,00,000

- (iv) The share capital structure of the Transferor Company 4 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
22,50,000 equity shares of INR 10/- each.	2,25,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
22,05,000 equity shares of INR 10/- each.	2,20,50,000

- (v) The share capital structure of the Transferee Company as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
485,00,000 equity shares of INR 10/- each.	48,50,00,000
60,00,000 10% Cumulative Redeemable Preference Share of INR 10/- each.	6,00,00,000
TOTAL	54,50,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
71,76,725 equity shares of INR 10/- each.	7,17,67,250

NB: In addition to the aforesaid, the Transferee Company has also issued 60,00,000 10% Cumulative Preference Share of INR 10/- each.

PART – II

7. AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

7.1 Transfer

With effect from the Appointed Date and upon the Scheme becoming effective on the Effective Date, the transfer and vesting of Transferor Companies Undertaking including all its properties, assets and liabilities of whatsoever nature shall under the provisions of Section 230 to 232 of the Act and pursuant to order(s) of the NCLT or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, matter or thing, stand transferred and vested in and/or deemed to be transferred to and vested in Transferee Company so as to become the undertaking, properties, assets and liabilities of the Transferee Company in accordance with the Section 2(IB) of the Income Tax Act, 1961, in the following manner:-

7.2 Transfer of Assets:

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all the estates, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferor Companies Undertaking, of whatsoever nature and wherever situated, whether or not included in the books of the concerned Transferor Companies shall subject to the provisions of this Clause 7.2 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest, authorities of the Transferee Company.
- (ii) With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including but not limited to, stock of goods, sundry debtors, investments,

plants and equipment, motor vehicles, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT), set-off rights, pre-paid taxed, levies/liabilities, CENVAT/VAT credits/ GST credits, if any, with government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company and, if required, appropriate governmental and registration authorities shall substitute the name of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

- (iii) In respect of such of the assets belonging to the Transferor Companies other than those referred to in sub-clause (ii) above the same shall, as more particularly provided in sub-clause (i) above without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act.

7.3. Contracts, Deeds, Licenses etc.

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, approvals, subsidies, rights, claims, leases, tenancy, liberties or other benefits or privileges, deeds, bonds, agreements, schemes, licenses, permits, quotas, arrangements and other instruments of whatsoever nature, to which any of the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible or for the obligations of which the Transferor Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the concerned Transferor Companies, the Transferee Company has been a party or beneficiary or obligee thereto.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Companies Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings as a successor of the concerned Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the concerned Transferor Companies to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of any of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or

executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any governmental authority as may be necessary in this behalf.

- (iv) Without prejudice to the provisions of Clause 7.4 to 7.7, with effect from the Appointed Date, all transactions between any of the Transferor Companies and the Transferee Company, if any, that have not been completed, shall stand cancelled.

7.4. Transfer of Liabilities

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of the Transferor Companies shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company as a going concern so as to become on and from the Appointed Date, the liabilities of the Transferee Company by virtue of and in the manner provided in this scheme.
- (ii) Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by the Transferor Companies after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.
- (iii) The transfer and vesting of the Transferor Companies Undertaking, as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become operative.

- (iv) Transferee Company will, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Companies to which the concerned Transferor Company is party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the concerned Transferor Company and to

carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.

- (v) Loans or other obligations, if any, due either between Transferee Company and Transferor Companies or in between the Transferor Companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Companies and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- (vi) Transferee Company will distribute the dividend as when declared on the proportionate basis keeping in mind the allotment/transfer of shares to the shareholders of the Transferor Companies.

7.5 Legal, taxes and other proceedings

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Transferor Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Transferee Company.
- (ii) The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Companies referred to in clause above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the concerned Transferor Companies.

7.6. Employees

- (i) Upon the coming into effect of this Scheme, all employees of the Transferor Companies shall become the employees of the Transferee Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the concerned Transferor Company and without any interruption of service as a result of amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of the employees of the Transferor Companies with the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.
- (ii) In so far as the Employee Benefit Funds created by the Transferor Companies or in respect of which the Transferor Companies makes contributions, for the employees of the Transferor Companies, all amounts standing to the credit of the employees of the Transferor Companies in such Employees Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Transferee Company.

- (iii) In relation to those employees of the Transferor Companies who are not covered under the provident fund trust of the concerned Transferor Company or who do not enjoy the benefit of any other provident fund trust, and for whom the concerned Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye-laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the concerned Transferor Company in relation to such provident fund trust shall become those of the Transferee Company.
- (iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the employees of the Transferor Companies would be continued to be deposited in the existing Employee Benefit Funds of the concerned Transferor Companies. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Companies shall stand dissolved.
- (v) Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
 - (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Companies; or
 - (b) merge the pre-existing funds of the Transferor Companies with other similar funds of the Transferee Company.

7.7. Treatment of Taxes

- (i) With effect from the Appointed Date, all the profits or incomes accruing or arising to Transferor Companies and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, the Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like Goods and Services tax (GST) etc. and to claim refund/credits and/or set off amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the GST returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- (ii) Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credits for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and/or set off of all amounts paid by the Transferor Companies or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax,

Goods and Service Tax or any other tax, as may be required consequent to the implementation of the Scheme.

- (iii) Transferee Company shall be entitled to revise its statutory returns relating to direct taxes like Income Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Companies under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- (iv) It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be, of the Transferee Company.
- (v) From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in its existing name.
- (vi) Since each of the permissions, approvals, consents, sanctions, special reservations, incentives, concessions and other authorizations of the respective Transferor Companies shall stand transferred, by the order of the NCLT or any other appropriate authority sanctioning the Scheme, to Transferee Company, each of the Transferor Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of NCLT or any other appropriate authority.

8. Conduct of Business:

With effect from the Appointed Date and till the Scheme come into effect -

- (i) Transferor Companies shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company and all the profits accruing to the respective Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
- (ii) Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto and Transferor Companies shall not alter or substantially expand its businesses except with the concurrence of Transferee Company.
- (iii) Transferor Companies shall not without the written concurrence of Transferee Company, alienate charge or encumber any if its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Transferee Company, as the case may be.
- (iv) Transferor Companies shall not vary or alter except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Transferee Company, the

terms and conditions of employment of any of its employees, except with the written consent of Transferee Company.

- (v) With effect from the date of approval of this Scheme by the respective Boards of the Transferor Companies and the Transferee Company, the Transferor Companies shall notify the Transferee Company in writing as soon as reasonable practicable of any matter, circumstance, act or omission as the case may be.
- (vi) With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the closing business hours of Appointed Date, whether or not provided in their books and all liabilities which are or accrue after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.
- (vii) For the purpose of giving effect to the vesting order passed by the NCLT under Sections 230 to 232 of Companies Act, 2013 and Rules made thereunder with respect of the Scheme, the Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Companies Undertaking in accordance with the provisions of the Act. Transferee Company shall be authorized to execute any pleadings, applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

9. CONSIDERATION

9.1. CONSIDERATION AND AMALGAMATION

- (i) The Transferee Company shall, without further application, act or deed, issue and allot to each of the shareholder of the Transferor Companies (whose names are registered in the Register of Members of the respective Transferor Company on the Record Date, or his legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in such share exchange ratio as mentioned below which has been made on a reasonable basis and on the advice of Mr. Vikash Goel, a Chartered Accountant and a Registered Valuer .
- (ii) The Transferee Company shall allot 100 equity shares of Rs. 10/- each in the Transferee Company:
 - for every 807 equity shares of Rs. 10/- held as fully paid up in Transferor Company 1;
 - for every 2,555 equity shares of Rs. 10/- held as fully paid up in Transferor Company 2;
 - for every 936 equity shares of Rs. 10/- held as fully paid up in Transferor Company 3; and
 - for every 837 equity shares of Rs. 10/- held as fully paid up in Transferor Company 4.
- (iii) If any of the shareholders of any of the Transferor Companies becomes entitled to receive fraction of an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the nearest integer.
- (iv) No fraction certificates shall be issued by Transferee Company in respect

of the fractional entitlement, if any, to which the equity shareholders of any of the Transferor Companies may be entitled on issue and allotment of equity shares of Transferee Company, as aforesaid.

- (v) Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in any of the Transferor Companies and the Paid-Up Share Capital of the Transferor Companies to that extent shall stand cancelled.
- (vi) The Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Companies (herein "New Equity Shares") shall rank pari passu in all respect, with the existing equity shares in the Transferee Company and shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- (vii) New Equity Shares to be issued by the Transferee Company pursuant to Clause 9(ii) above shall be issued in dematerialized form by the Transferee Company. In that relation, the shareholders of the Transferor Companies shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has not provided the requisite details relating to his/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the share of the Transferee Company, then the Transferee Company shall issue New Equity Shares in physical form to such shareholder or shareholders.
- (viii) The New Equity Shares to be allotted shall, subject to Applicable Laws, be listed and admitted to trading on the Stock Exchanges.
- (ix) the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies pursuant to Clause 9(ii) above is an integral part of this Scheme.
- (x) The approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies as provided in this Scheme.

10. AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY

- (i) Upon the Scheme becoming effective, the Authorized Share Capital of each of the Transferor Companies will get merged with that of the Transferee Company and, any additional fees will be borne by the Transferee Company after setting off the fees paid by the Transferor Companies on their respective Authorized Share Capital. The Authorized Share Capital of the Transferee Company will automatically stand increased to the effect by simply filing the appropriate forms with the concerned authority and no separate procedure or resolution prescribed under the Act or instrument or deed or payment of any stamp duty and registration fees shall be required.
- (ii) Consequently, Clause 5 of the Memorandum of Association of the Transferee Company shall, without any act, instrument or deed be stand altered, modified or substituted pursuant to section 13 and 232 of the Act as set out below:

“5. The capital of the Company is Rs.58,95,00,000/- (Rupees Fifty Eight Crores and Ninety Five Lakhs Only) divided into 5,89,50,000 Equity Shares of Rs, 10/- each and Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10/- each.”

11. ACCOUNTING TREATMENT FOR AMALGAMATION

- 11.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the applicable accounting standards i.e. Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act read with relevant rules issued thereunder and in accordance with prevailing guidelines.
- 11.2 Upon the Scheme becoming effective, all assets and liabilities, including reserves of the Transferor Companies shall be recorded in the books of the Transferee Company at their existing carrying values and in the same form under ‘Pooling of Interest Method’ as described in Appendix “C” of Indian Accounting Standards 103 (“Ind AS 103”), Business Combinations, which provides guidance on accounting for Business Combinations of Entities under “Common Control” issued by the Institute of Chartered accountants of India.
- 11.3 The balance of the retained earnings appearing in the financial statements of the Transferor Companies will be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- 11.4 The difference between the share capital of the Transferor Companies and the aggregate face value of the equity shares of the Transferee Company issued and allotted by it to the members of the Transferor Companies plus any additional consideration in the form of cash or other assets pursuant to the Scheme shall be adjusted in the capital reserve account.
- 11.5 The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Companies, prior to this Scheme being made effective.
- 11.6 To the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 11.7 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunal or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- 11.8 In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent

accounting policies. The difference, if any, in the accounting policies between the Transferor Companies and Transferee Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Transferee Company, as applicable, in accordance with the requirements of Ind AS 8.

11.9 The costs relating to the Scheme (mentioned in Clause 18 below) will be accounted in accordance with Ind AS 103.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Companies as envisaged above shall not affect any transaction or proceedings already concluded by the Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Companies accept and adopts all acts, deed and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on that behalf.

13. DISSOLUTION OF TRANSFEROR COMPANIES

On occurrence of the Effective Date, all Transferor Companies shall, without any further act or deed, shall stand dissolved without winding up.

PART – III

14. APPLICATION TO NCLT

The Transferor Companies and Transferee Company shall file necessary applications with the NCLT, Kolkata Bench, under Sections 230 to 232 and other applicable provisions of the Act read with applicable provisions of Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 for sanctioning the Scheme with such modifications as may be approved by the NCLT.

15. LISTING AGREEMENT AND SEBI COMPLIANCE

Since the Transferor Companies and Transferee Company are listed companies, this Scheme is subject to the compliances of all the requirements under the SEBI Listing Regulations and all statutory directives of SEBI in so far as they relate to sanction and implementation of the Scheme including the SEBI Scheme Circular.

16. DIVIDENDS

- (i) The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting period prior to the Effective Date as approved by their respective Boards.
- (ii) The members of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (iii) For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends whether interim or final, to its members as on the record date and those who are members only of the Transferor Companies shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective Date.

- (iv) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any rights on any member of the Transferor Companies and/or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company respectively, and subject to the approval, if required, of the members of the Transferor Companies and the Transferee Company, respectively.

17. MODIFICATION OR AMENDMENT OF THE SCHEME AND REVOCATION OF THE SCHEME

- (i) The Transferee Company and the each of the Transferor Company by their respective Board or such other person or persons, as the respective Board may authorize, including any committee or sub-committee thereof, may make and/or consent to any modification or amendments to the Scheme or to any conditions or limitations that the NCLT/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and each of the Transferor Company, by their respective Board, or such other person or persons, as the respective Board may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all the acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise however arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- (ii) The Transferor Companies and Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any concerned authority is unacceptable; or (b) they are of the view that coming into effect of the respective parts to this scheme could have adverse implications on the respective companies.
- (iii) The scheme is conditional upon being approved by the public shareholders of the concerned Transferor Companies and the Transferee Company through e-voting in terms of para 9(a) of Part I of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the scheme shall be acted upon only if votes casted by the public shareholders in favour of the scheme is more than the number of votes casted by the public shareholders against it.
- (iv) In the event of any of the said sanctions/ approvals/ conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the concerned Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except, in respect of any act or deed done prior thereto as in contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of each of the Transferor

Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of the view that the coming into effect of this Scheme in terms of provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implications on all/ any of the companies.

18. COSTS

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding added to the value of the immovable properties), levies and all other expenses shall be debited to the profit and loss account of the Transferee Company.

19. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.

MINISTRY OF CORPORATE AFFAIRS
RECEIPT
G.A.R.7

SRN : T10975928

Service Request Date : 31/03/2021

Payment made into : ICICI Bank

Received From :

Name : SHIKHA BAJAJ

Address : 60/2 LAKE ROAD

Kolkata, West Bengal

India - 700029

Entity on whose behalf money is paid

CIN: L27120WB1947PLC015767

Name : HINDUSTHAN UDYOG LTD

Address : Trinity Plaza, 3rd Floor

84/1A, Topsia Road(South)

Kolkata, West Bengal

India - 700046

Full Particulars of Remittance

Service Type: eFiling

Service Description	Type of Fee	Amount(Rs.)
Fee For Form GNL-2	Normal	600.00
Total		600.00

Mode of Payment: Credit Card- ICICI Bank

Received Payment Rupees: Six Hundred Only

Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014

FORM NO. GNL-2

[Pursuant to the rule 12(2) of the
Companies (Registration Offices and Fees)
Rules, 2014]



Form for submission of documents with the Registrar

Note - All fields marked in * are to be mandatorily filled.

Form language English Hindi

1.(a) *Corporate Identity Number (CIN) of company

L27120WB1947PLC015767

Pre-Fill

(b) Global location number (GLN) of company

2.(a) Name of the company

HINDUSTHAN UDYOG LTD

(b) Address of the
registered office
of the company

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

3. *Please indicate the document being filed

- Prospectus
- Red Herring Prospectus
- Information Memorandum
- Private placement offer letter or Record of a private placement offer to be kept by the company
- Form 149 of the Companies (Court) Rules, 1959
- Form 152 of the Companies (Court) Rules, 1959
- Form 153 of the Companies (Court) Rules, 1959
- Form 154 of the Companies (Court) Rules, 1959
- Form 156 of the Companies (Court) Rules, 1959
- Form 157 of the Companies (Court) Rules, 1959
- Form 158 of the Companies (Court) Rules, 1959
- Form 159 of the Companies (Court) Rules, 1959
- Filing under Insolvency and Bankruptcy Code, 2016
- Others

4. If Others, then specify

Any other document

Draft Scheme of Amalgamation between Tea Time Limited, Orient International Limited, Neptune Exports Limited, Northern Projects Limited and Hindusthan Udyog Limited and their respective shareholders

5.(a) Service request number of Form MGT-14

(b) Date of passing special or ordinary resolution

(DD/MM/YYYY)

(c) Date of filing Form MGT-14

(DD/MM/YYYY)

6. Section(s) of the Companies Act, 2013 or the Companies Act, 1956 under which the document is being filed

Section 232(2)(b) of The Companies Act, 2013

7. *Details of the documents being filed

Draft Scheme of Amalgamation under sections 230 to 232 of The Companies Act, 2013 between Tea Time Limited, Orient International Limited, Neptune Exports Limited, Northern Projects Limited and Hindusthan Udyog Limited and their respective shareholders

8. *Date of event (DD/MM/YYYY)

9. *Financial year to which the document relates

(a) From (DD/MM/YYYY) (b) To (DD/MM/YYYY)

Attachments

3. Optional attachment(s) - if any

Attach

Verification

List of attachments

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete.

I have been authorised by the board of directors' resolution dated

* (DD/MM/YYYY) to sign and submit this form.

To be digitally signed by

VISHWANATH
AGARWAL
Digitally signed by
VISHWANATH
AGARWAL
DN: cn=VISHWANATH
AGARWAL, o=, ou=, email=VISHWANATH.AGARWAL@tea-time.com, c=IN

HUL_SCHEME OF AMALGAMATION
HUL_LETTER.pdf

Particulars of the person signing and submitting the form

Remove attachment

Name

Capacity

Director or manager or secretary
or CEO/CFO of the company

Designation

Director identification number of the director or
membership number of the secretary

or DIN/PAN of the Manager/CEO/CFO

Verification

To the best of my/our knowledge and belief, the information given in this form and its attachments is correct and complete. I am/ We are duly authorised to sign and submit this form.

To be digitally signed by

Liquidators of the Company

Modify

Check Form

Prescrutiny

Submit

For office use only:

eForm Service request number (SRN)

eForm filing date.

(DD/MM/YYYY)

This e-form is hereby registered

Digital signature of the authorizing officer

Confirm Submission

Date of signing

(DD/MM/YYYY)



HINDUSTHAN UDYOG LTD.

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

TO WHOM SO EVER IT MAY CONCERN

This is to inform you that the Board of Directors of the Company at their meeting held on 21st March, 2020 had approved the Scheme of Amalgamation of Tea Time Limited (Transferor Company No. 1), Orient International Limited (Transferor Company No. 2), Neptune Exports Limited (Transferor Company No. 3), Northern Projects Limited (Transferor Company No. 4) with Hindusthan Udyog Limited (Transferee Company) and their respective shareholders. Thereafter the said scheme was filed before the National Company Law Tribunal, Kolkata Bench in an application, *inter alia*, praying for directions that separate meeting of the members of the applicant companies be convened for approving the Scheme of Amalgamation.

The Hon'ble Tribunal thereafter by Order dated 22nd February, 2021, *inter alia*, directed that a meeting to be held of equity shareholders of **HINDUSTHAN UDYOG LIMITED** on 21st May, 2021 for the purpose of considering, and if thought fit, approving with or without modification, the said Scheme of Amalgamation.

The said Scheme as proposed to be placed before the shareholders is being filed with the Registrar of Companies in compliance with section 232(2)(b) of the Companies Act, 2013 and the date of the event for filing the said Scheme is 22nd February, 2021.

Yours Faithfully,

FOR HINDUSTHAN UDYOG LIMITED

**[SHIKHA BAJAJ]
COMPANY SECRETARY**

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT 2013
BETWEEN
TEA TIME LIMITED (“TRANSFEROR COMPANY 1”)
AND
ORIENT INTERNATIONAL LIMITED (“TRANSFEROR COMPANY 2”)
AND
NEPTUNE EXPORTS LIMITED (“TRANSFEROR COMPANY 3”)
AND
NORTHERN PROJECTS LIMITED (“TRANSFEROR COMPANY 4”)
AND
HINDUSTHAN UDYOG LIMITED (“TRANSFeree COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. BACKGROUND AND DESCRIPTION OF COMPANIES

1.1 Tea Time Limited (Transferor Company 1), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 1 is L01132WB1979 PL032246 and is inter-alia engaged in following businesses:

1. *To buy, sell, import, export, blend, package, process, mix various kinds of tea including leaf tea, dust tea, instant tea, tea bags and to do the same in India or elsewhere individually or in collaboration with others.*
2. *To carry on the business of owning, managing, operating, taking on lease, developing tea gardens and tea plantations and also to produce, cultivate, sell, purchase, manufacture all kinds of plantation products and generally to deal in all kinds of plantation products, forest products and various kinds of crops including rubber, shellac, timber, coffee, cocoa and cinchona among others and to do the same in India or elsewhere.*
3. *To carry on the business of ware housing, transporting, storing tea and other commodities and also to act as commission agents, auctioneers, distributors, and recognized export house.*

The Equity Shares of the Transferor Company 1 are listed on BSE Limited and Calcutta Stock Exchange.

1.2 Orient International Limited (Transferor Company 2), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 2 is L27310WB1981PLC034139 and is inter-alia engaged in following businesses:

1. *To carry on the business of casting, forging, rolling, refining, smelting, altering, improving, buying, selling, importing, exporting, manufacturing and otherwise*

dealing in Iron & Steel all forms, shapes and sizes and alloys thereof and of owning, operating and managing mini-steel plants.

2. *To carry on the business of casting, forging, rolling, refining, smelting, altering, improving, buying, selling, importing, exporting, manufacturing and otherwise dealing in aluminum, copper, zinc and other metals and alloys.*
3. *To carry on the business of manufacturing, buying, selling and otherwise dealing in material handling equipments, coal mining equipments and other engineering goods and to act as boiler makers, mill, wrights, smiths metallurgists and mechanical engineers.*

The Equity Shares of the Transferor Company 2 are listed on Calcutta Stock Exchange and Delhi Stock Exchange.

- 1.3 Neptune Exports Limited (Transferor Company 3), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 3 is L51909WB1982PLC034494 and is inter-alia engaged in following businesses:

1. *To carry on the business of importers, exporters, recognised export house, indenting agents and commission agents in connection with export - import business of various goods and articles and to carry on the above activity in India or elsewhere either individually or in collaboration with others.*
2. *To carry on the business of packaging, purchasing, selling and generally dealing in all kinds of goods and articles in connection with export import business and to act as retailers, wholesalers, godown keepers, stockists, aratdars or agents in connection with the above trade.*
3. *To carry on the business of buying, selling, importing exporting and otherwise, dealing in silk and silk products of every description, leather and leather goods of every kind, ordinary tea, dust tea, packaged tea, tea bags and other kinds of tea and to do the same in India or elsewhere either individually or in collaboration with others.*

The Equity Shares of the Transferor Company 3 are listed on BSE Limited and Calcutta Stock Exchange.

- 1.4 Northern Projects Limited (Transferor Company 4), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 4 is L45400WB1983PLC035987 and is inter-alia engaged in following businesses:

- (1) *To carry on the business of manufacturers, importers, exporters and founders of ferrous and non-ferrous metals, sheet metal workers, mechanical, structural, electrical and metallurgical engineers, to carry on the work of cast Iron foundry for the manufacture of all types of pipes and pipe-fittings, water reservoirs, drainage requisites Including manhole frames and covers, gratings and ladders, cast-iron-sanitary appliances and fittings including flushing cisterns, bath-tubs, wash-basins, cast iron building requisite including railing, spiral stairs, ladders, ventilators ornamental window-frames, pillars, agricultural implements including choppers, ploughs, cast iron, railway casting including sleepers, fish-plates, wheels and other fittings, household requisites and utensils including cooking*

pans, containers, coal mining and engineering requisites including pinions, tube-wheels, pump parts and other general and special castings.

- (2) *To carry on the work of mechanical and electrical engineers and to run a workshop to undertake and execute all types of mechanical and structural jobs of manufacturing, fabrication and erection of buildings and articles and to do various types of sheets, metal work including manufacturing and construction of storage tanks, buckets, drums, various types of containers and other similar items that may be easily marketable.*
- (3) *To carry on the business of financing Industrial Enterprises whether by way of making loans or advances to or subscribing to the capital of Private Industrial Enterprises in India.*
- (4) *To invest, buy, sell, transfer, hypothecate and dispose of any shares, stocks, securities, properties, bonds or any Government/Local Authority bonds & certificates, debentures whether perpetual or redeemable and debenture-stocks.*

The Transferor Company 4 is a Non-Banking Financial Institution, registered with the Reserve Bank of India vide Certificate of Registration dated 16th May, 1998 bearing registration no. 05.02409.

The Equity Shares of the Transferor Company 4 are listed on BSE Limited and Calcutta Stock Exchange.

1.5 Hindusthan Udyog Limited (Transferee Company), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferee Company is L27120WB1947PLC015767 and is inter-alia engaged in following businesses:

1. *To carry on the business of steel fabrication, iron founders, cast iron castings, die & pressure die castings, and to run, operate, steel foundries, mini steel plant and to manufacture, buy, sell, exchange, refine, smelt, prepare, work, alter, improve, import, export and otherwise deal in round, square, flat steel or sheets, deformed bars, machine, parts, buckets, corrugated sheets, screws, bolts, nuts, nails, rods, plates, tubes, bends, sockets, flanges, fittings, tees, beams, joists, tools, implements, torsteel, torkari and other articles and things made of iron, steel and other metals.*
2. *To carry on the business of mechanical engineers and manufacturers of agricultural implements and other machinery, tools makers, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths and general iron and steel processors, wire-drawers, galvanisers, enamellers, electroplaters, tin plate makers, boiler makers, anodisers, mettalaugists and iron masters.*
3. *To purchase, take on lease or otherwise acquire any iron and steel manufacturing unit or units, iron foundries, workshop, rolling mills, steel casting sheds, are furnaces, wire drawing units and other going concern dealing in metals and minerals.*
4. *To carry on the business or businesses of manufacturers, importers and exporters of and dealers in sheet metals (ferrous and non-ferrous) and sheet metal articles and in ferrous and non-ferrous castings of all kinds and in particular galvanised buckets, fire buckets, bath tubs, mugs, drums, tanks, tin containers, and*

other articles for carrying or storing water, oil and other materials, solid or liquid, suit cases, trunks, boxes, tables, chairs, shelves, almirahs, safe, and other kind or steel, and metal furniture, chimneys, pipes, ridgings, ventilators roofings, dust-bins, hand carts, municipal carts, and all such other articles, pans, rice bowls, cooking pots and hollow wares of all kinds; cooking stoves of all description and their accessories, cast iron pipes and fittings, railings, stair cases, ventilators and all building materials, manhole covers, surface boxes, cisterns, weights and castings of all description, big and small, chilled and malleable castings, special alloy castings, steel castings, gun-metal, copper, brass and alluminium castings and foundry works of all kinds; hurricane lanterns and other kinds of lanterns and lamps and all their parts and accessories, oil stoves, gas stoves and other kinds of stoves, cookers, torches, batteries and all their parts anti accessories, gates and railings, collapsible gates and grills, stairs, columns, trusses, metal doors and windows and other buildings materials, bolts and nuts, rivets, washers, wire nails, screws, hinges, hook bolts, tower bolts, dogspikes, signaling materials and railway carriage and wagon fittings, and die and press work of all kinds rods, bars, wires, sheets and all kinds of ferrous and non-ferrous rolling works, mill, factory, tea garden and colliery requisites of all kinds.

5. *To carry on the business of cultivating, growing, processing, blending, packing tea and to sell, dispose of export, import and otherwise deal in tea either in its raw or manufactured state either in whole sale or retail either in packed or loose form.*
6. *To carry on the business of public carriers, transporters and carrier of goods, passengers, merchandise and other products and goods and luggage of all kinds and description in any part of India and elsewhere on land, water and air by any conveyances whatsoever.*
7. *To buy, sell, deal in or to act as distributors, stockists, importers, exporters, area representatives, manufacturers agents, whole selling agents for all kinds of building and construction materials, machineries and tools, stores, hardware items, tea-garden implements and stores including pig iron, hard coke, coal, G. C. Sheets, asbestos sheets, R. C. Posts, CTC segments, Cement, wire, fencing, hoop iron, pallets, chests and various other merchandise whether produced In India or elsewhere.*

The Equity Shares of the Transferee Company are listed on BSE Limited and Calcutta Stock Exchange.

2. DESCRIPTION OF THE SCHEME

- 2.1 This Scheme provides, inter alia, for the amalgamation of the Transferor Companies into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Companies without winding up and the consequent issuance of the Transferee Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to the Eligible Members (as defined hereunder) in respect of each share of the Transferor Companies held by them in accordance with this Scheme ("Amalgamation") and Sections 230 to 232 along with other relevant provisions of the Act and in compliance with the provisions of the Income Tax Act, 1961.
- 2.2 The Amalgamation of the Transferor Companies into the Transferee Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act, 1961 such that, *inter alia*:

- (i) all the properties of the Transferor Companies, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;
- (ii) all the liabilities of the Transferor Companies, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation; and
- (iii) shareholders holding at least three fourths in value of the shares in the Transferor Companies, will become shareholders of the Transferee Company by virtue of the Amalgamation.

3. PURPOSE AND RATIONALE FOR THE SCHEME OF ARRANGEMENT/ AMALGMATION

The Board of the Transferor Companies and the Transferee Company are of the opinion that the proposed arrangement between the Transferor Companies with the Transferee Company will be for the benefit of all the companies in the following manner:

- a) The amalgamation will enable pooling of resource of the companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost and operational efficiencies which would be beneficial for all stakeholders.
- b) The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Transferee Company and enable it to withstand with the growing competition in the market scenario.
- c) The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- d) If the proposed amalgamation comes into effect then it will strengthen the credibility of the Transferee Company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and the Transferor Companies.

There is no likelihood that interest of any shareholder or creditor of any of the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement/Amalgamation will not impose any additional burden on the members of the Transferor Companies or the Transferee Company.

4. This Scheme is divided into the following parts:

- (i) Part I which deals with the introduction and definition, and sets out the share capital of the Transferor Companies and the Transferee Company;
- (ii) Part II which deals with the Amalgamation; and
- (iii) Part III which deals with the general terms and conditions applicable to the Scheme.

PART I

5. DEFINITIONS

- 5.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:
- (a) **“Act”** shall mean the Companies Act, 2013 as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time.
 - (b) **“Amalgamation”** shall have the meaning ascribed to it in Clause 2.1 above.
 - (c) **“Applicable Law”** shall mean any applicable law, statute, ordinance, rule, regulations, guideline or policy having the force of law, of any governmental authority.
 - (d) **“Appointed Date”** shall mean 1st April, 2019 or such other date as maybe approved by the National Company Law Tribunal, Kolkata Bench or such other appropriate authority.
 - (e) **“Board”** in relation to any of the Transferor Companies and the Transferee Company, as the case maybe, means the Board of Directors of such company and shall, where applicable, include a duly authorized committee of the Board.
 - (f) **“Effective Date”** means the date on which certified copies of the order of the National Company Law Tribunal or any appropriate authority sanctioning this scheme of Amalgamation under the applicable provisions of the Act are filed with the Registrar of Companies.
 - (g) **“Eligible Member”** shall mean the person whose name appears in the register of members of the Transferor Companies and/or whose name appears as the beneficial owner of the shares of Transferor Companies in the record of depositories on the Record Date.
 - (h) **“NCLT”** shall mean the National Company Law Tribunal at Kolkata, West Bengal.
 - (i) **“Record Date”** shall mean any date after the Effective Date to be fixed by the Board of the Transferee Company for issuing shares of the Transferee Company to the shareholders of the Transferor Companies.
 - (j) **“SEBI”** means the Securities and Exchange Board of India.
 - (k) **“SEBI Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines, etc., that may replace such regulations.
 - (l) **“SEBI Scheme Circular”** means the SEBI Circular dated March 10, 2017 bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time.
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- (m) **“Share Exchange Ratio”** shall have the meaning as ascribed in paragraph 9.1(ii) of the Scheme.
- (n) **“Transferor Companies”** shall mean and include Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4.
- (o) **“Transferee Company Shares”** shall mean fully paid up equity shares of the Transferee Company each having a face value of Rs. 10/- and one vote per share.
- (p) **“Transferor Companies Undertaking”** means and includes:
 - (i) All properties and assets, both movable and immovable, including liabilities of the Transferor Companies immediately before amalgamation;
 - (ii) Without prejudice to the generality of the foregoing clause and subject to the provisions of the Scheme, the said undertaking shall include the entire business and all the properties and assets, movable or immovable, real or personal, corporal or incorporeal, in possession or reversion, present or contingent or whatsoever nature and wheresoever situated including furniture & fixtures, office equipment, air conditioners, electrical fittings, vehicles, leasehold improvements, computer software, current assets, sundry debtors, cash and bank balances, loans and advances, motor car, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interest, benefits and advantages belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by any of the Transferor Companies including but without being limited to all trademarks, trade names, and other industrial rights of any nature whatsoever and licences in respect thereof, right to use and avail telephones, telexes, internet, facsimiles, connections, installations, utilities, electricity and other services, reserves and provisions, funds and benefit of all agreements, contracts and all other interest, duties and obligations of the Transferor Companies or which the Transferor Companies are entitled to and all debts, paper, documents and records relating to the above.

5.2 In this Scheme, unless the context otherwise requires:

- (a) reference to persons shall include individuals, body corporates (wherever incorporated), unincorporated associations and partnerships;
- (b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (c) words in the singular shall include the plural and vice versa;
- (d) any reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date; and
- (e) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have same meaning prescribed to them under the Act and other Applicable Laws.

5.3 Date of taking effect and Operative Date

Upon the occurrence of the Effective Date, the Scheme set out herein, its present form or with any modification(s) approved or imposed or directed by NCLT or any other appropriate authority, shall become operative with effect from the Appointed Date.

6. SHARE CAPITAL

- (i) The share capital structure of the Transferor Company 1 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
30,00,000 equity shares of INR 10/- each	3,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
29,03,919 equity shares of INR 10/- each	2,90,39,190

- (ii) The share capital structure of the Transferor Company 2 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
22,00,000 equity shares of INR 10/- each.	2,20,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
22,00,000 equity shares of INR 10/- each.	2,20,00,000

- (iii) The share capital structure of the Transferor Company 3 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
30,00,000 equity shares of INR 10/- each.	3,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
30,00,000 equity shares of INR 10/- each.	3,00,00,000

- (iv) The share capital structure of the Transferor Company 4 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
22,50,000 equity shares of INR 10/- each.	2,25,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
22,05,000 equity shares of INR 10/- each.	2,20,50,000

- (v) The share capital structure of the Transferee Company as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
485,00,000 equity shares of INR 10/- each.	48,50,00,000
60,00,000 10% Cumulative Redeemable Preference Share of INR 10/- each.	6,00,00,000
TOTAL	54,50,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
71,76,725 equity shares of INR 10/- each.	7,17,67,250

NB: In addition to the aforesaid, the Transferee Company has also issued 60,00,000 10% Cumulative Preference Share of INR 10/- each.

PART – II

7. AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

7.1 Transfer

With effect from the Appointed Date and upon the Scheme becoming effective on the Effective Date, the transfer and vesting of Transferor Companies Undertaking including all its properties, assets and liabilities of whatsoever nature shall under the provisions of Section 230 to 232 of the Act and pursuant to order(s) of the NCLT or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, matter or thing, stand transferred and vested in and/or deemed to be transferred to and vested in Transferee Company so as to become the undertaking, properties, assets and liabilities of the Transferee Company in accordance with the Section 2(IB) of the Income Tax Act, 1961, in the following manner:-

7.2 Transfer of Assets:

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all the estates, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferor Companies Undertaking, of whatsoever nature and wherever situated, whether or not included in the books of the concerned Transferor Companies shall subject to the provisions of this Clause 7.2 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest, authorities of the Transferee Company.
- (ii) With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including but not limited to, stock of goods, sundry debtors, investments,

plants and equipment, motor vehicles, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT), set-off rights, pre-paid taxed, levies/liabilities, CENVAT/VAT credits/ GST credits, if any, with government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company and, if required, appropriate governmental and registration authorities shall substitute the name of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

- (iii) In respect of such of the assets belonging to the Transferor Companies other than those referred to in sub-clause (ii) above the same shall, as more particularly provided in sub-clause (i) above without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act.

7.3. Contracts, Deeds, Licenses etc.

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, approvals, subsidies, rights, claims, leases, tenancy, liberties or other benefits or privileges, deeds, bonds, agreements, schemes, licenses, permits, quotas, arrangements and other instruments of whatsoever nature, to which any of the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible or for the obligations of which the Transferor Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the concerned Transferor Companies, the Transferee Company has been a party or beneficiary or obligee thereto.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Companies Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings as a successor of the concerned Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the concerned Transferor Companies to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of any of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or

executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any governmental authority as may be necessary in this behalf.

- (iv) Without prejudice to the provisions of Clause 7.4 to 7.7, with effect from the Appointed Date, all transactions between any of the Transferor Companies and the Transferee Company, if any, that have not been completed, shall stand cancelled.

7.4. Transfer of Liabilities

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of the Transferor Companies shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company as a going concern so as to become on and from the Appointed Date, the liabilities of the Transferee Company by virtue of and in the manner provided in this scheme.
- (ii) Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by the Transferor Companies after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.
- (iii) The transfer and vesting of the Transferor Companies Undertaking, as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become operative.

- (iv) Transferee Company will, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Companies to which the concerned Transferor Company is party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the concerned Transferor Company and to

carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.

- (v) Loans or other obligations, if any, due either between Transferee Company and Transferor Companies or in between the Transferor Companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Companies and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- (vi) Transferee Company will distribute the dividend as when declared on the proportionate basis keeping in mind the allotment/transfer of shares to the shareholders of the Transferor Companies.

7.5 Legal, taxes and other proceedings

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Transferor Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Transferee Company.
- (ii) The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Companies referred to in clause above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the concerned Transferor Companies.

7.6. Employees

- (i) Upon the coming into effect of this Scheme, all employees of the Transferor Companies shall become the employees of the Transferee Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the concerned Transferor Company and without any interruption of service as a result of amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of the employees of the Transferor Companies with the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.
- (ii) In so far as the Employee Benefit Funds created by the Transferor Companies or in respect of which the Transferor Companies makes contributions, for the employees of the Transferor Companies, all amounts standing to the credit of the employees of the Transferor Companies in such Employees Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Transferee Company.

- (iii) In relation to those employees of the Transferor Companies who are not covered under the provident fund trust of the concerned Transferor Company or who do not enjoy the benefit of any other provident fund trust, and for whom the concerned Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye-laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the concerned Transferor Company in relation to such provident fund trust shall become those of the Transferee Company.
- (iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the employees of the Transferor Companies would be continued to be deposited in the existing Employee Benefit Funds of the concerned Transferor Companies. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Companies shall stand dissolved.
- (v) Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
 - (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Companies; or
 - (b) merge the pre-existing funds of the Transferor Companies with other similar funds of the Transferee Company.

7.7. Treatment of Taxes

- (i) With effect from the Appointed Date, all the profits or incomes accruing or arising to Transferor Companies and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, the Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like Goods and Services tax (GST) etc. and to claim refund/credits and/or set off amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the GST returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- (ii) Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credits for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and/or set off of all amounts paid by the Transferor Companies or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax,

Goods and Service Tax or any other tax, as may be required consequent to the implementation of the Scheme.

- (iii) Transferee Company shall be entitled to revise its statutory returns relating to direct taxes like Income Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Companies under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- (iv) It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be, of the Transferee Company.
- (v) From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in its existing name.
- (vi) Since each of the permissions, approvals, consents, sanctions, special reservations, incentives, concessions and other authorizations of the respective Transferor Companies shall stand transferred, by the order of the NCLT or any other appropriate authority sanctioning the Scheme, to Transferee Company, each of the Transferor Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of NCLT or any other appropriate authority.

8. Conduct of Business:

With effect from the Appointed Date and till the Scheme come into effect -

- (i) Transferor Companies shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company and all the profits accruing to the respective Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
- (ii) Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto and Transferor Companies shall not alter or substantially expand its businesses except with the concurrence of Transferee Company.
- (iii) Transferor Companies shall not without the written concurrence of Transferee Company, alienate charge or encumber any if its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Transferee Company, as the case may be.
- (iv) Transferor Companies shall not vary or alter except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Transferee Company, the

terms and conditions of employment of any of its employees, except with the written consent of Transferee Company.

- (v) With effect from the date of approval of this Scheme by the respective Boards of the Transferor Companies and the Transferee Company, the Transferor Companies shall notify the Transferee Company in writing as soon as reasonable practicable of any matter, circumstance, act or omission as the case may be.
- (vi) With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the closing business hours of Appointed Date, whether or not provided in their books and all liabilities which are or accrue after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.
- (vii) For the purpose of giving effect to the vesting order passed by the NCLT under Sections 230 to 232 of Companies Act, 2013 and Rules made thereunder with respect of the Scheme, the Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Companies Undertaking in accordance with the provisions of the Act. Transferee Company shall be authorized to execute any pleadings, applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

9. CONSIDERATION

9.1. CONSIDERATION AND AMALGAMATION

- (i) The Transferee Company shall, without further application, act or deed, issue and allot to each of the shareholder of the Transferor Companies (whose names are registered in the Register of Members of the respective Transferor Company on the Record Date, or his legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in such share exchange ratio as mentioned below which has been made on a reasonable basis and on the advice of Mr. Vikash Goel, a Chartered Accountant and a Registered Valuer .
- (ii) The Transferee Company shall allot 100 equity shares of Rs. 10/- each in the Transferee Company:
 - for every 807 equity shares of Rs. 10/- held as fully paid up in Transferor Company 1;
 - for every 2,555 equity shares of Rs. 10/- held as fully paid up in Transferor Company 2;
 - for every 936 equity shares of Rs. 10/- held as fully paid up in Transferor Company 3; and
 - for every 837 equity shares of Rs. 10/- held as fully paid up in Transferor Company 4.
- (iii) If any of the shareholders of any of the Transferor Companies becomes entitled to receive fraction of an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the nearest integer.
- (iv) No fraction certificates shall be issued by Transferee Company in respect

of the fractional entitlement, if any, to which the equity shareholders of any of the Transferor Companies may be entitled on issue and allotment of equity shares of Transferee Company, as aforesaid.

- (v) Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in any of the Transferor Companies and the Paid-Up Share Capital of the Transferor Companies to that extent shall stand cancelled.
- (vi) The Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Companies (herein "New Equity Shares") shall rank pari passu in all respect, with the existing equity shares in the Transferee Company and shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- (vii) New Equity Shares to be issued by the Transferee Company pursuant to Clause 9(ii) above shall be issued in dematerialized form by the Transferee Company. In that relation, the shareholders of the Transferor Companies shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has not provided the requisite details relating to his/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the share of the Transferee Company, then the Transferee Company shall issue New Equity Shares in physical form to such shareholder or shareholders.
- (viii) The New Equity Shares to be allotted shall, subject to Applicable Laws, be listed and admitted to trading on the Stock Exchanges.
- (ix) the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies pursuant to Clause 9(ii) above is an integral part of this Scheme.
- (x) The approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies as provided in this Scheme.

10. AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY

- (i) Upon the Scheme becoming effective, the Authorized Share Capital of each of the Transferor Companies will get merged with that of the Transferee Company and, any additional fees will be borne by the Transferee Company after setting off the fees paid by the Transferor Companies on their respective Authorized Share Capital. The Authorized Share Capital of the Transferee Company will automatically stand increased to the effect by simply filing the appropriate forms with the concerned authority and no separate procedure or resolution prescribed under the Act or instrument or deed or payment of any stamp duty and registration fees shall be required.
- (ii) Consequently, Clause 5 of the Memorandum of Association of the Transferee Company shall, without any act, instrument or deed be stand altered, modified or substituted pursuant to section 13 and 232 of the Act as set out below:

“5. The capital of the Company is Rs.58,95,00,000/- (Rupees Fifty Eight Crores and Ninety Five Lakhs Only) divided into 5,89,50,000 Equity Shares of Rs, 10/- each and Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10/- each.”

11. ACCOUNTING TREATMENT FOR AMALGAMATION

- 11.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the applicable accounting standards i.e. Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act read with relevant rules issued thereunder and in accordance with prevailing guidelines.
- 11.2 Upon the Scheme becoming effective, all assets and liabilities, including reserves of the Transferor Companies shall be recorded in the books of the Transferee Company at their existing carrying values and in the same form under ‘Pooling of Interest Method’ as described in Appendix “C” of Indian Accounting Standards 103 (“Ind AS 103”), Business Combinations, which provides guidance on accounting for Business Combinations of Entities under “Common Control” issued by the Institute of Chartered accountants of India.
- 11.3 The balance of the retained earnings appearing in the financial statements of the Transferor Companies will be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- 11.4 The difference between the share capital of the Transferor Companies and the aggregate face value of the equity shares of the Transferee Company issued and allotted by it to the members of the Transferor Companies plus any additional consideration in the form of cash or other assets pursuant to the Scheme shall be adjusted in the capital reserve account.
- 11.5 The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Companies, prior to this Scheme being made effective.
- 11.6 To the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 11.7 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunal or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- 11.8 In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent

accounting policies. The difference, if any, in the accounting policies between the Transferor Companies and Transferee Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Transferee Company, as applicable, in accordance with the requirements of Ind AS 8.

11.9 The costs relating to the Scheme (mentioned in Clause 18 below) will be accounted in accordance with Ind AS 103.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Companies as envisaged above shall not affect any transaction or proceedings already concluded by the Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Companies accept and adopts all acts, deed and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on that behalf.

13. DISSOLUTION OF TRANSFEROR COMPANIES

On occurrence of the Effective Date, all Transferor Companies shall, without any further act or deed, shall stand dissolved without winding up.

PART – III

14. APPLICATION TO NCLT

The Transferor Companies and Transferee Company shall file necessary applications with the NCLT, Kolkata Bench, under Sections 230 to 232 and other applicable provisions of the Act read with applicable provisions of Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 for sanctioning the Scheme with such modifications as may be approved by the NCLT.

15. LISTING AGREEMENT AND SEBI COMPLIANCE

Since the Transferor Companies and Transferee Company are listed companies, this Scheme is subject to the compliances of all the requirements under the SEBI Listing Regulations and all statutory directives of SEBI in so far as they relate to sanction and implementation of the Scheme including the SEBI Scheme Circular.

16. DIVIDENDS

- (i) The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting period prior to the Effective Date as approved by their respective Boards.
- (ii) The members of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (iii) For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends whether interim or final, to its members as on the record date and those who are members only of the Transferor Companies shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective Date.

- (iv) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any rights on any member of the Transferor Companies and/or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company respectively, and subject to the approval, if required, of the members of the Transferor Companies and the Transferee Company, respectively.

17. MODIFICATION OR AMENDMENT OF THE SCHEME AND REVOCATION OF THE SCHEME

- (i) The Transferee Company and the each of the Transferor Company by their respective Board or such other person or persons, as the respective Board may authorize, including any committee or sub-committee thereof, may make and/or consent to any modification or amendments to the Scheme or to any conditions or limitations that the NCLT/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and each of the Transferor Company, by their respective Board, or such other person or persons, as the respective Board may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all the acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise however arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- (ii) The Transferor Companies and Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any concerned authority is unacceptable; or (b) they are of the view that coming into effect of the respective parts to this scheme could have adverse implications on the respective companies.
- (iii) The scheme is conditional upon being approved by the public shareholders of the concerned Transferor Companies and the Transferee Company through e-voting in terms of para 9(a) of Part I of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the scheme shall be acted upon only if votes casted by the public shareholders in favour of the scheme is more than the number of votes casted by the public shareholders against it.
- (iv) In the event of any of the said sanctions/ approvals/ conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the concerned Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except, in respect of any act or deed done prior thereto as in contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of each of the Transferor

Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of the view that the coming into effect of this Scheme in terms of provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implications on all/ any of the companies.

18. COSTS

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding added to the value of the immovable properties), levies and all other expenses shall be debited to the profit and loss account of the Transferee Company.

19. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.



HINDUSTHAN UDYOG LTD.

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CIN No. : L27120WB1947PLC015767

REPORT OF THE AUDIT COMMITTEE OF HINDUSTHAN UDYOG LIMITED (THE "COMPANY") RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF NEPTUNE EXPORTS LIMITED, NORTHERN PROJECTS LIMITED, TEA TIME LIMITED AND ORIENT INTERNATIONAL LIMITED WITH HINDUSTHAN UDYOG LIMITED

1. Background

- (a) A meeting of the Audit Committee of the Company was held on Saturday, 21st March, 2020, to consider and recommend to the Board of Directors, the proposed Scheme of Amalgamation ("**Scheme**") of (a) Neptune Exports Limited (b) Northern Projects Limited (c) Tea Time Limited and (d) Orient International Limited (together referred to as the "**Transferor Companies**") with Hindusthan Udyog Limited ("**Transferee Company**") to be implemented under Sections 230 to 232 of The Companies Act, 2013 and other applicable laws.
- (b) The Company is a Listed Public Company incorporated under the Indian Companies Act, 1913 and its Equity Shares are listed on BSE Limited and The Calcutta Stock Exchange Limited.
- (c) This Report of the Audit Committee has been made in order to comply with the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Salient Features of the Scheme

- (a) It is proposed to amalgamate the Transferor Companies with the Transferee Company through a Scheme of Amalgamation under sections 230 to 232 of The Companies Act, 2013 between the said Companies and their respective shareholders and creditors.
- (b) The Appointed Date for the proposed Scheme is 1st April, 2019.
- (c) The amalgamation would result in the pooling of resource of the Companies involved in the amalgamation, resulting in a more productive utilization of their resources, costs and operational efficiencies. It will also lead to the formation of one Company with larger asset base and net worth enabling its further growth and development which shall enable it to withstand the growing competition in the market scenario.





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- (d) The Scheme will become effective on obtaining all approvals and confirmations and upon filing of the Certified Copy of the Order of the National Company Law Tribunal with the Registrar of Companies.
- (e) Upon the Scheme becoming effective, the Transferee Company shall, without further application, act or deed, issue and allot to each of the shareholders of the Transferor Companies (whose names are registered in the Register of Members of the respective Transferor Company on the Record Date) equity shares in the Transferee Company, credited as fully paid up, as per the share exchange ratios mentioned below:-
- 100 Equity Shares of Rs. 10/- each of Hindusthan Udyog Limited for every 936 Equity Shares of Rs. 10/- each held in Neptune Exports Limited;
 - 100 Equity Shares of Rs. 10/- each of Hindusthan Udyog Limited for every 837 Equity Shares of Rs. 10/- each held in Northern Projects Limited;
 - 100 Equity Shares of Rs. 10/- each of Hindusthan Udyog Limited for every 807 Equity Shares of Rs. 10/- each held in Tea Time Limited; and
 - 100 Equity Shares of Rs. 10/- each of Hindusthan Udyog Limited for every 2,555 Equity Shares of Rs. 10/- each held in Orient International Limited.

3. Documents placed before the Audit Committee

- (a) Draft Scheme of Amalgamation, duly initialed by a Committee Member for the purpose of identification;
- (b) Valuation Report dated 20th March, 2020 issued by Independent Chartered Accountants ("**Valuation Report**"), recommending the above Share Exchange Ratios; and
- (c) Fairness Opinion Report dated 21st March, 2020 issued by SEBI Registered Merchant Banker ("**Fairness Opinion**"), confirming the fairness of the Share Exchange Ratios.

4. Recommendation of the Audit Committee:

- (a) The Audit Committee reviewed the Valuation Report and noted the recommendations made therein. Further, the Fairness Opinion confirmed that





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the Share Exchange Ratios, as recommended in the Valuation Report, are fair to the Transferor and Transferee Companies and their respective shareholders.

- (b) Taking into consideration the Draft Scheme, the Valuation Report and the Fairness Opinion, as placed before the Committee, the Audit Committee recommends the draft Scheme to the Board of Directors of the Company for its consideration and approval.

**BY ORDER OF THE AUDIT COMMITTEE
FOR AND ON BEHALF OF
HINDUSTHAN UDYOG LIMITED**


[PRAKASH AGARWAL]
COMMITTEE MEMBER

**PLACE: KOLKATA
DATE: 21ST MARCH, 2020**



DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

Your Directors have pleasure in presenting their 73rd Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2020.

COMPANY PERFORMANCE:

	<u>2019 - 2020</u>	<u>2018 - 2019</u>
<u>FINANCIAL RESULTS</u>	<u>RS. IN LAKHS</u>	<u>RS. IN LAKHS</u>
Revenue from Operations	1,249.09	1,652.51
Total Revenue	1,809.08	2,108.76
EBITDA	275.10	90.21
Less: Finance Costs	43.67	140.47
Depreciation	97.73	111.29
Profit before Tax (PBT)	133.70	(161.55)
Less: Tax Expense	0.20	-
Profit after Tax (PAT)	133.50	(161.55)

The EBITDA of the Company improved during the year ended 31st March 2020 compared to the previous year on account of stringent measures adopted by the Management of the Company for streamlining its operations and reduction in its input costs.

DIVIDEND

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

COVID-19 PANDEMIC

The Country's economy was impacted during March and April 2020 due to the lockdown announced by the Government of India on account of COVID-19 outbreak. There was a temporary suspension of the Company's operations at its Nagpur Facility. However, post the permission for operations of certain activities by the Government of India, the Company has resumed operations at its Nagpur Facility from May 2020.

The Board of your Company is monitoring the situation and has made an initial assessment of the likely impact of the lockdown and pandemic on overall economic environment and its operations. It expects the economy shall recover in due course based on measures taken by the Government. Hence, in the prevailing circumstances, the Company does not anticipate any challenge in meeting its future obligations and as such does not expect any impact of COVID 19 outbreak on its ability to continue as a going concern.

SCHEME OF AMALGAMTION

The Board of Directors of the Company at their Meeting held on 21st March, 2020, subject to such other approvals/consents as may be required, has approved a Scheme of Amalgamation in terms of Section 230-232 of The Companies Act, 2013 involving (a) Neptune Exports Limited (b) Northern Projects Limited (c) Tea Time Limited and (d) Orient International Limited with the Company. The said Scheme has been filed with the Stock Exchanges in terms of SEBI (LODR) Regulations 2015 for it's observations/NOC and same is awaited.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. BUSINESS

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

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

The key operational highlights of the Company has been:-

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

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

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

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

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

D. INTERNAL CONTROL SYSTEM

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

The Internal Audit function is conducted by a Senior Management Team of the Company.

The adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

E. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial Relations were cordial during the year under review. There was no industrial relation related problem during the year.

F. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

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

CORPORATE GOVERNANCE

The principles of good Corporate Governance through professionalism, accountability, transparency, trusteeship and control have always been followed by your Company and it has complied with all the applicable provisions of Corporate Governance as per the Listing Regulations. A separate Report on Corporate Governance forms part of the Annual Report 2019-20 along with the Auditors' Certificate on its compliance in **Annexure B**.

DIRECTORS

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

Mrs. Premlata Agarwal resigned from the Board of the Company with effect from the close of 28.10.2019. The Board Members are grateful to her for the services rendered by her during her association with the Company.

Mr. B.K. Mawandia (DIN 08770046) was appointed as an Additional Director (in the capacity of Independent Director) on the Company's Board with effect from 6th July, 2020 in terms of Section 161 of The Companies Act, 2013 and is liable to hold office till the ensuing Annual General Meeting (AGM) of the Company. Necessary resolution for appointing him as an Independent Director for a period of five years forms part of the Notice of the ensuing AGM.

Mr. A. K. Ghosh ceased to be a Director of the Company due to his demise. The Board of Directors noted the same at their Meeting held on 6th July, 2020 and expressed their condolences towards his family.

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

NO. OF BOARD MEETINGS HELD

During the year 2019-20, Ten (10) Board Meetings were held on 30th May 2019, 12th June, 2019, 29th June, 2019, 14th August 2019, 26th September 2019, 10th October, 2019, 28th October, 2019, 14th November 2019, 14th February 2020 and 21st March, 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the accounts for the financial year ended 31st March, 2020 on a "going concern" basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such were adequate and operating effectively.

POLICY FOR DIRECTORS APPOINTMENT

The Company believes that in order to ensure that the Board of Directors can discharge their duties and responsibilities effectively; it aims to have a Board with optimum combination of experience and commitment with the presence of Independent Directors. Such Board can provide a long term plan for the Company's growth, improve the quality of governance and increase the confidence of its shareholders.

The Company has a policy in terms of Section 178(3) of The Companies Act, 2013 on directors' appointment and remuneration including the criteria for determining their qualifications, positive attributes and independence.

BOARD EVALUATION

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

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

INDEPENDENT DIRECTORS DECLARATION

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

EXTRACT OF ANNUAL RETURN

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules there under, the Board of Directors of the Company has appointed a Practicing Company Secretary to conduct the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31.03.2020 is annexed herewith as **Annexure D**, as part of this Report.

COST AUDIT

The Company is not required to maintain cost records in terms of Section 148(1) of The Companies Act, 2013.

RELATED PARTY TRANSACTIONS

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

VIGIL MECHANISM

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

PARTICULARS OF EMPLOYEES

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

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

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

CODE OF CONDUCT

Your Company has formulated a Code of Conduct which applies to Board Members and Senior Management Personnel of the Company. Confirmations towards adherence to the Code during the Financial Year 2019-20 have been obtained from all the Board Members and Senior Management Personnel in terms of the Listing Regulations and a declaration relating to compliance of this code during the year by all Board Members and Senior Management Personnel has been given by the Managing Director of the Company which accompanies this report.

MATERIAL CHANGES AND COMMITMENT

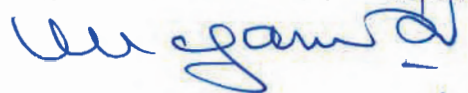
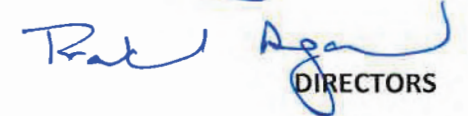
There were no material changes and commitments affecting the financial position of the Company which has occurred between the financial year to which these Financial Statements relate and date of this report.

ACKNOWLEDGEMENTS

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

PLACE: KOLKATA
DATE: 31ST JULY, 2020

FOR AND ON BEHALF OF THE BOARD



DIRECTORS

ANNEXURE-A

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

ENERGY CONSERVATION MEASURES TAKEN:

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

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

TECHNOLOGY ABSORPTION:

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

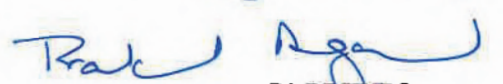
The Company has not imported any new technology during the last three years reckoned from the beginning of the Current Financial Year i.e. 1st April, 2019.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned	Rs. 337.73 Lakhs
Foreign Exchange used	---

PLACE: KOLKATA
DATE: 31ST JULY, 2020

FOR AND ON BEHALF OF THE BOARD



DI RECTORS

REPORT ON CORPORATE GOVERNANCE

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

1) THE COMPANY'S GOVERNANCE PHILOSOPHY

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

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

The details of compliances made by the Company for the year ended 31st March, 2020 are as follows:

2) BOARD OF DIRECTORS

- The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that long term interests of the shareholders are being served.
- The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on 31.03.2020 the Company's Board consisted of Four Directors who are eminent Professionals with experience and expertise in Business, Industry, Finance and Law.

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

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

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

The Board is satisfied that the current Board composition meets the requirements of skills/expertise/competencies, as identified above.

The Composition of the Board as on 31.03.2020 are as follows:-

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

Details relating to the Composition of the Board as on 31.03.2020 are as follows:-

Sl.	Name of the Board Members	Category	No. of other Directorships In Indian Companies	No. of other Board Committee(s) of which he/she is a Member	No. of other Board Committee(s) of which he/she is a Chairperson
1.	Mr. V. N. Agarwal DIN:00408731	Managing Director & Promoter	8	7	---
2.	Mr. Prakash Agarwal DIN:00249468	Non - Executive & Promoter	10	1	--
3.	Mrs. Premlata Agarwal DIN:00752110	Non - Executive & Promoter (<i>Woman Director upto 28.10.2019</i>)	--	--	--
4.	Mr. A. K. Ghosh DIN:01424368	Non - Executive & Independent	5	6	3
5.	Mrs. Kiran Darolia DIN:08240886	Non - Executive & Independent (<i>Woman Director</i>)	1	--	--

- The Committee Memberships/Chairmanships considers Audit Committee and Stakeholders Relationship Committee only.
- Mr. Prakash Agarwal is the son of Mr. V.N. Agarwal
- Mrs. Premlata Agarwal ceased to be a Member of the Board with effect from 28th October, 2019.

- The Non-Executive Directors do not hold any shares in the Company except for Mr. Prakash Agarwal who holds 5,16,200 shares in the Company.
- In the opinion of the Board of Directors the Independent Directors fulfill the conditions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of management.
- Mr. A.K. Ghosh ceased to be a Member of the Board consequent to his demise. The same was noted by the Board at its Meeting held on 6th July, 2020. Mr. B.K. Mawandia (DIN: 08770046) was appointed as an Independent Director on the Board with effect from 6th July, 2020.

Details regarding the directorships of the Board Members in Listed Entities as on 31st March, 2020 are given below:-

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

3) BOARD MEETINGS & AGM HELD DURING THE FINANCIAL YEAR 2019 - 20

(i) During the Financial Year 2019-20 Ten Board Meetings were held on:-

30th May 2019, 12th June, 2019, 29th June, 2019, 14th August 2019, 26th September 2019, 10th October, 2019, 28th October, 2019, 14th November 2019, 14th February 2020 and 21st March, 2020.

(ii) Attendance record of the Directors at the Board Meetings and the last AGM are as follows:-

Name of the Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 30.09.2019
Mr. V. N. Agarwal	10	Yes
Mr. Prakash Agarwal	8	Yes
Mrs. Premlata Agarwal *	7	Yes
Mr. A. K. Ghosh	10	Yes
Mrs. Kiran Darolia	10	No

* Mrs. Premlata Agarwal resigned from the Board of the Company with effect from 28.10.2019. Hence her particulars, as furnished above, relate to period upto 28.10.2019.

4) **BOARD MEETINGS**

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

5) **BOARD AGENDA**

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

6) **BOARD PROCEDURE**

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

7) **POST MEETING FOLLOWUP SYSTEM**

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

8) SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors held a Meeting on 14th February, 2020 without the presence of any Non-Independent Directors and Members of Management wherein they (i) reviewed the performance of Non-Independent Directors and the Board as a whole and (ii) assessed the quality, quantity and timelines of flow of information between the Company Management and Board that was necessary for the Board to effectively and reasonably perform their duties.

9) VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

10) COMMITTEES OF THE BOARD

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

i) AUDIT COMMITTEE

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

- (a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Compliance with Listing and legal requirements concerning financial statements.
- (c) Recommending to the Board the appointment/re-appointment of Statutory Auditors, fixation of their Audit Fees and approving payments made for any other services rendered by them.
- (d) Reviewing with the Management the Quarterly and the Annual Financial Statements before submission to the Board for approval.

- (e) Reviewing with the management the performance of the Statutory Auditors and the adequacy of internal control function.
- (f) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- (g) Reviewing the Internal Audit function and the progress in the implementation of recommendations contained in the Internal Audit Report.
- (h) Efficiency and effectiveness of operations.
- (i) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (j) Reliability of financial and other management information and adequacy of disclosures
- (k) Compliance with all relevant statutes.
- (l) Approval of Company's Related Parties Transactions.
- (m) Reviewing the functioning of Whistle Blower mechanism.

The composition of the Audit Committee as on 31.03.2020 was as follows:-

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

* Mr. A. K. Ghosh ceased to be a Member of the Committee on his demise. The Committee was reconstituted by the Board at its Meeting held on 6th July, 2020 with Mr. B.K. Mawandia as Committee Chairman and Mr. Prakash Agarwal and Mrs. Kiran Darolia as the other Members.

During the Financial Year 2019-20 Seven Audit Committee Meetings were held and the Attendance of the Members at the said Meetings is given below:-

Name of the Director	No. of meetings attended
Mr. A. K. Ghosh	7
Mr. Prakash Agarwal	5
Mrs. Kiran Darolia	7

ii) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

The said Committee as on 31st March, 2020 consisted of Mr. A.K. Ghosh, Mr. Prakash Agarwal and Mrs. Kiran Darolia with Mr. A.K. Ghosh as the Chairman of the Committee.

Mr. A. K. Ghosh ceased to be a Member of the Committee on his demise. The Committee was reconstituted by the Board at its Meeting held on 6th July, 2020 with Mr. B.K. Mawandia as Committee Chairman and Mr. Prakash Agarwal and Mrs. Kiran Darolia as the other Members.

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

A Meeting of the Members of Stakeholders Relationship Committee was held on 14th February, 2020.

During the year ended 31st March 2020, no complaints/queries were received and no complaint/query was pending to be resolved as on 31st March, 2020.

iii) **NOMINATION AND REMUNERATION COMMITTEE**

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

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

The Composition of the Nomination and Remuneration Committee as on 31.03.2020 was as follows:-

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

* Mr. A.K. Ghosh ceased to be a Member of the Committee on his demise. The Committee was reconstituted by the Board at its Meeting held on 6th July, 2020 with Mrs. Kiran Darolia as Committee Chairman and Mr. Prakash Agarwal and Mr. B.K. Mawandia as the other Members.

During the Financial Year 2019-20 one Nomination and Remuneration Committee Meeting was held on 30th May, 2019.

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

- (a) Updated on skills, knowledge, familiarity with the Company, its business and the external environment in which it operates.
- (b) Participates in development of strategies.
- (c) Committed to the fulfillment of Directors obligations and fiduciary responsibilities.
- (d) Quality of analysis and judgment related to progress, opportunities and need for changes.
- (e) Contributes adequately to address the top management issues.
- (f) Considers adequately before approving any Related Party Transactions.
- (g) Acts within authority and assists in protecting the legitimate interests of Company, Shareholders and its employees.
- (h) Ensures that vigil mechanism has been properly implemented and monitored.
- (i) Reports concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.
- (j) Does not disclose confidential information, commercial secrets, technologies, unpublished price sensitive information unless such disclosure is approved by the Board or required by law.

Details of Remuneration paid to Mr. V.N. Agarwal as Managing Director during the year 2019-20 are as follows:-

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

Apart from Sitting Fees, no other remuneration is paid/payable to the Non-Executive Directors. Sitting fees paid to the Non-Executive Directors for the financial year ended 31st March 2020 were as follows:-

Name of the Director	Sitting Fees paid
Mr. Prakash Agarwal	Rs. 6,000/-

Mrs. Premlata Agarwal *	Rs. 5,000/-
Mr. A. K. Ghosh	Rs. 8,000/-
Mrs. Kiran Darolia	Rs. 8,000/-

** Sitting fees paid to Mrs. Premlata Agarwal pertains to Board Meetings attended by her upto the date of her resignation i.e. 28.10.2019.*

11) GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2018 – 2019	Registered Office at : Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	30 th September, 2019	10.00 a.m.
2017 – 2018		28 th September, 2018	10.00 a.m.
2016 – 2017		26 th September, 2017	10.00 a.m.

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

At AGM held on 30.09.2019

a) Reappointment of Mr. A.K. Ghosh as an Independent Director for a further period of five years from the conclusion of said AGM.

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

At AGM held on 28.09.2018

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

At AGM held on 26.09.2017

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

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

- iii) Whether Special Resolutions were put through Postal Ballot last year : Yes in respect of continuation of Directorship of Mr. A.K. Ghosh in terms of Regulation 17(1A) of SEBI (LODR) Regulations, 2015.
- iv) Are Special Resolutions proposed to be put through Postal Ballot this year : No
- v) Procedure to be followed for Postal Ballot (if applicable) : In accordance with the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder.

12) DISCLOSURES

- i) There are no materially significant transactions with the Related Parties that may have potential conflict with the interests of the Company at large, except as disclosed in the Notes to the Financial Statements.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.
- iii) Your Company has a well laid out Code of Conduct and Business Ethics for the Board of Directors and Senior Management Personnel. It is one of the best means for increasing the transparency in the working of the Companies. The Board Members and the Senior Management Personnel of the Company adhere to this principle and compliance with the same is affirmed by each of them annually.
- iv) The Company is in compliance with the requirements of the Corporate Governance, which reflects in this Report.
- v) The Members of the Company at their AGM held on 26.09.2017 had authorized the Board of Directors to fix the remuneration payable to the Statutory Auditors in consultation with them. Based on the recommendation of the Audit Committee and after consulting the Statutory Auditors, the Board of Directors have approved Rs. 4,90,000/- towards remuneration payable to the Statutory Auditors for the services rendered by them during the Financial Year 2019-20.
- vi) In line with the amended SEBI regulations, a Certificate from a Company Secretary is being obtained by the Company confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI/Ministry of Corporate Affairs or any other statutory authority.

13) MEANS OF COMMUNICATIONS

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

14) GENERAL SHAREHOLDERS' INFORMATION

(i) **Company Registration Details**

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

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

Sl. No.	Particulars	Remark
A.	Day	Monday
B.	Date	28 th day of September, 2020
C.	Time	10.00 a.m.
D.	Venue	Registered Office at: Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.

(iii) **Financial Calendar for the Year 2020 - 21**

Sl.	Particulars	Remarks
A.	1 st Quarter ending 30 th June, 2020	Before 14 th August, 2020
B.	2 nd Quarter and Half-year ending 30 th September, 2020	Before 14 th November, 2020
C.	3 rd Quarter ending 31 st December, 2020	Before 14 th February, 2021
D.	4 th Quarter & Year ending 31 st March, 2021	Before 30 th May, 2021

The above dates may be extended in view of the timeframes, if any, extended by the Appropriate Authorities due to the prevailing Covid-19 Pandemic.

- (iv) **Dates of Book Closure:** 24.09.2020 to 28.09.2020
(Both days inclusive for the purpose of AGM)
- (v) **Dividend payment date:** Not applicable since no dividend has been recommended for the year ended 31st March, 2020.
- (vi) **Name of the Stock Exchanges at which Equity Shares are listed and Scrip Code assigned to the Company's shares at the respective Stock Exchanges:**

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

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

The listing fees for the Financial Year 2020-21 have been paid to both the Stock Exchanges.

(vii) **Market Price Data:**

There was no trading of the shares of the Company at the BSE and CSE during the year ended 31st March, 2020.

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

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

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

LINK INTIME INDIA PRIVATE LIMITED

Vaishno Chambers, 5th Floor,
6, Brabourne Road, Flat Nos. 502 & 503,
Kolkata – 700001
Tel : 033 4004 9728
Fax No: 033 4073 1698
E-mail ID : kolkata@linkintime.co.in

(ix) **Share Transfer System:**

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

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

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

(x) Dematerialization of Equity Shares:-

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

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

As on 31st March, 2020, 57,50,760 Equity Shares representing 80.13% of the Company's Total Equity Shares were held in dematerialized form.

(xi) Distribution Schedule:

The Distribution Pattern of the Equity Shares of the Company as on 31st March, 2020 is given below:-

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

(xii) Shareholding Pattern as on 31st March, 2020:-

	Category	No. of Equity Shares held	Percentage of holding
A.	Promoters' holding :		
	1. Indian Promoters	53,79,910	74.96
	Sub-Total	53,79,910	74.96
B.	Non-Promoters' holding :		
	1. Institutional Investors	----	----
	2. Others :		
	-- Corporate Bodies	1,73,117	2.41
	-- Indian Public	16,23,698	22.63
	Sub-Total	17,96,815	25.04
	GRAND TOTAL	71,76,725	100.00

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

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

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

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

(xv) Plant Locations:

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

(xvi) Address for correspondence:


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

HINDUSTHAN UDYOG LIMITED

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

The above report has been placed before the Board at its Meeting held on 31st July, 2020 and the same was approved.

FOR AND ON BEHALF OF THE BOARD


Rat Agarwal
DIRECTORS

PLACE: KOLKATA
DATE: 31ST JULY, 2020

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

I hereby confirm that the Company has obtained from all Board Members and Senior Management Personnel affirmation that they have complied with Code of Business Conduct and Ethics for Directors and Senior Management Personnel in respect of the Financial Year 2019-20.

FOR HINDUSTHAN UDYOG LIMITED


[V. N. AGARWAL]
MANAGING DIRECTOR

PLACE: KOLKATA
DATE: 31ST JULY, 2020



SALARPURIA & PARTNERS

Chartered Accountants

Tel. Address : "Checkchart(C)"

Cal. Office : 2237 5400/5401

: 2236 0560/4562

Fax : (91) (033) 2225 0992

E-mail : salarpuria.jajodia@rediffmail.com

office@salarpurijajodia.com

7, CHITTARANJAN AVENUE, KOLKATA - 700 072

BRANCH : 4th FLOOR, "SALARPURIA WINDSOR" 3 ULSOOR ROAD, BANGALORE - 560042

ALSO AT : 1008, CHIRANJIVI TOWER, 43, NEHRU PLACE, NEW DELHI-110019, TELEFAX : 2623 3894

AUDITORS' CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

TO
THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

We have examined the compliance of conditions of Corporate Governance by **HINDUSTHAN UDYOG LIMITED** for the year ended 31st March 2020, as stipulated in Regulations 17 to 27 and clause (a) to (m) of Regulation 46(2) and para C & D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

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

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

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

**FOR SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS**

FRN 302113E

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant

Membership No.: 57076

(NIHAR RANJAN NAYAK)

PARTNER

MEMBERSHIP NO. 057076

UDIN: 20057076AAAABF4050

PLACE: KOLKATA

DATE: 18.08.2020



FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L27120WB1947PLC015767
2.	Registration Date	3 rd September 1947
3.	Company Name	Hindusthan Udyog Limited
4.	Category/Subcategory of Company	Indian Company limited by Shares
5.	Address of Registered Office & Contact details	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046 Ph: 033 4055 6800
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of RTA	Link Intime India Private Limited Vaishno Chambers, 5 th Floor, 6, Brabourne Road, Flat Nos- 502 & 503, Kolkata – 700001 Tel: 033-4004 9728 Fax: 033-4073 1698 E-mail ID : kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl	Company Name & Address	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	WPIL Limited Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (S), Kolkata – 700046	L36900WB1952 PLC020274	Associate Company	39.54%	2(6)
2	Spaans Babcock India Ltd. Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (S), Kolkata – 700046	U29219WB1993 PLC058017	Associate Company	25.00%	2(6)

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

(i) Category-wise shareholding

Category of Shareholders	No. of shares held at 01.04.2019				No. of shares held at 31.03.2020				% Change
	Physical	Demat	Total	% of Total	Physical	Demat	Total	% of Total	
A. Indian Promoters									
- Individuals	---	7,08,235	7,08,235	9.87	---	7,08,235	7,08,235	9.87	---
- Bodies Corporate	2,24,100	44,47,575	46,71,675	65.09	---	46,71,675	46,71,675	65.09	---
Sub Total (A)	2,24,100	51,55,810	53,79,910	74.96	---	53,79,910	53,79,910	74.96	---
B. Public Non Institutions									
- Indian Bodies Corporate	1,17,850	55,267	1,73,117	2.41	1,17,850	55,267	1,73,117	2.41	---
- Indian Individuals									
(a) holding nominal capital upto Rs. 2 Lakh	1,29,315	483	1,29,798	1.81	1,29,215	583	1,29,798	1.81	---
(b) holding nominal capital in excess of Rs. 2 Lakh	11,78,900	3,15,000	14,93,900	20.82	11,78,900	3,15,000	14,93,900	20.82	---
Sub Total (B)	14,26,065	3,70,750	17,96,815	25.04	14,25,965	3,70,850	17,96,815	25.04	---
C. Shares held by Custodians for GDRs & ADRs	---	---	---	---	---	---	---	---	---
GRAND TOTAL (A + B + C)	16,50,165	55,26,560	71,76,725	100.00	14,25,965	57,50,760	71,76,725	100.00	---

(ii) Shareholding of Promoters

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

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

(iii) Change in Promoters Shareholding

There has been no change in the Promoters Shareholding during the year ended 31st March, 2020.

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

Sl.	Name of each Top Ten Shareholders	Shareholding at 01.04.2019		Cumulative shareholding during the year		Change in holdings	Date-wise change and reasons
		Nos.	% of total	Nos.	% of total		
1.	Poonam Jhaver	10,00,000	13.93	10,00,000	13.93	---	---
2.	Santosh Devi Gangawat	60,000	0.84	60,000	0.84	---	---
3.	Bishnauth Investments Limited	55,267	0.77	55,267	0.77	---	---
4.	Ichamati Investments Limited	49,700	0.69	49,700	0.69	---	---
5.	United Machine Co. Ltd.	47,200	0.66	47,200	0.66	---	---
6.	Sunil Kumar Surolia	40,000	0.56	40,000	0.56	---	---
7.	Anil Kumar Surolia	40,000	0.56	40,000	0.56	---	---
8.	Manju Devi Surolia	40,000	0.56	40,000	0.56	---	---
9.	Anita Sharma	40,000	0.56	40,000	0.56	---	---
10.	Santosh Kumar Rungta	34,400	0.47	34,400	0.47	---	---
	TOTAL	14,06,567	19.60	14,06,567	19.60	---	---

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.	Name of each Director and Key Managerial Personnel	Shareholding at 01.04.2019		Cumulative Shareholding during the year	Change in holdings	Date-wise change and reasons
		Nos.	% of total			
KEY MANAGERIAL PERSONNEL						
1	Mr. V. N. Agarwal (Managing Director)	12,410	0.17	12,410	0.17	---
2	Ms. Shikha Bajaj (Company Secretary)	---	---	---	---	---
OTHER DIRECTORS						
1	Mr. Prakash Agarwal	5,16,200	7.19	5,16,200	7.19	---
2	Mrs. Premlata Agarwal (*)	1,79,625	2.50	1,79,625	2.50	---
3	Mr. A. K. Ghosh	---	---	---	---	---
4	Mrs. Kiran Darolia	---	---	---	---	---

* Resigned as a Director with effect from 28.10.2019

V. INDEBTEDNESS

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

	(Rs. In lakhs)		
	Secured Loans excluding deposits	Unsecured Loans	Deposits
At beginning of the year:-			
i) Principal	13.67	---	---
ii) Interest due but not paid	---	---	---
iii) Interest accrued but not due	---	---	---
Total (i + ii + iii)	13.67	---	---
Changes during the year (Reduction)	8.75	---	---
At end of the year:			
i) Principal	4.92	---	---
ii) Interest due but not paid	---	---	---
iii) Interest accrued but not due	---	---	---
Total (i + ii + iii)	4.92	---	---
			13.67
			8.75
			4.92
			4.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI	Particulars of Remuneration	Managing Director Total (Rs.)
1	Gross Salary	
(a)	Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	30,00,000
(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	---
(c)	Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	---
2	Stock Option	---
3	Sweat Equity	---
4	Commission	---
	TOTAL (A)	30,00,000

B. Remuneration to other Directors:

Particulars of Remuneration	Directors' name				Total (Rs.)
	Prakash Agarwal	Premlata Agarwal *	A. K. Ghosh	Kiran Darolia	
Independent Directors					
- Fees for attending Board Meetings	---	---	8,000	8,000	16,000
Total (1)	---	---	8,000	8,000	16,000
Other Non-Executive Directors					
- Fees for attending Board Meetings	6,000	5,000	---	---	11,000
Total (2)	6,000	5,000	---	---	11,000
Total (1+2)	6,000	5,000	8,000	8,000	27,000

* Fees paid to Mrs. Premlata Agarwal are for the Board Meetings held and attended by her upto the date of her resignation i.e. 28.10.2019.

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

SI	Particulars of Remuneration	Company Secretary Total (Rs.)
1	Gross Salary (*)	
(a)	Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	11,54,571
(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	---
(c)	Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	---
2	Stock Option	---
3	Sweat Equity	---
4	Commission	---
5	Others	---
	TOTAL (A)	11,54,571

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

FOR AND ON BEHALF OF THE BOARD

Uegans

Prak Agar
DIRECTORS

PLACE: KOLKATA
DATE: 31ST JULY, 2020



Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

TO
THE MEMBERS OF
HINDUSTHAN UDYOG LIMITED
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA -700046

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

Based on our verification of the Company's books, Papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 20: 20 according to the applicable provisions of:-
 - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under (Not applicable to the Company during audit period);
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during audit period);
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during audit period);
- d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during audit period);
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);

(vi) There are no such laws that are specifically applicable to the Company with respect to the sector in which it is operating.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and The Calcutta Stock Exchange Limited read with The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the amendments thereto.

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

3. We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board that took place during the year under review were carried out in compliance with the provisions of the Act;
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting;
- (c) Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.

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

5. We further report that during the year ended 31st March, 2020 the Board of Directors of the Company, subject to such other approvals/consents as may be required, has approved a Scheme of Amalgamation in terms of Section 230-232 of The Companies Act, 2013 of Neptune Exports Limited, Northern Projects Limited, Tea Time Limited and Orient International Limited with Hindusthan Udyog Limited. The said Scheme has been filed with the Stock Exchanges in terms of SEBI (LODR) Regulations 2015 for it's observations/NOC and same is awaited.

**FOR RINKU GUPTA & ASSOCIATES
COMPANY SECRETARIES**



RINKU GUPTA
Company Secretary in Practise,
C. P. No. 9248

**RINKU GUPTA
COMPANY SECRETARY IN PRACTISE
FCS-9237, CP NO. 9248
UDIN: F00923B000546697**

**PLACE: KOLKATA
DATE: 31ST JULY, 2020**



PARTICULARS OF EMPLOYEE AND RELATED DISCLOSURES

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

SL.	DIRECTOR NAME	DESIGNATION	RATIO TO MEDIAN REMUNERATION
1	Mr. V.N. Agarwal	Managing Director	6.80

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

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



Sl.	Name	Designation	Remuneration paid FY 2019-20 (Rs. In Lakhs)	Remuneration paid FY 2018-19 (Rs. In Lakhs)	Increase in remuneration (Rs. In Lakhs)
1	Mr. V. N. Agarwal	Managing Director	30.00	30.00	---

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

- (c) The percentage increase in the median remuneration of employee during the Financial Year was around 5%
- (d) The number of Permanent employees on the rolls of the Company is 114.
- (e) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and whether there are any exceptional circumstances for increase in managerial remuneration.

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

FOR AND ON BEHALF OF THE BOARD



 DIRECTORS

PLACE: KOLKATA
 DATE: 31ST JULY, 2020

SALARPURIA & PARTNERS

7, CHITTARANJAN AVENUE,

Kolkata 700 072

Phone No.2237 5400 / 5401

Fax No. : (033) 2225 0992

E-mail : salarpuria.jajodia@rediffmail.com

HINDUSTHAN UDYOG LIMITED

**BALANCE SHEET, STATEMENT OF PROFIT &
LOSS, CASH FLOW STATEMENT AND STATEMENT
OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST MARCH, 2020**



Salarpuria & Partners

CHARTERED ACCOUNTANTS
7, C. R. AVENUE, KOLKATA - 700 072
Phone : 2237 5400 / 5401, 4014 5400 - 5410
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e-mail : salarpuria.jajodia@rediffmail.com
office@salarpuriajajodia.com
Branches at New Delhi & Bangalore

INDEPENDENT AUDITOR'S REPORT

To The Members of Hindusthan Udyog Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of **Hindusthan Udyog Limited ("the Company")**, which comprise the Balance Sheet as at 31st March, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its **Profit**, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

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

Key Audit Matters

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

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





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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

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e-mail : salarpuria.jajodia@rediffmail.com

office@salarpuriajajodia.com

Branches at New Delhi & Bangalore

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

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

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

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

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

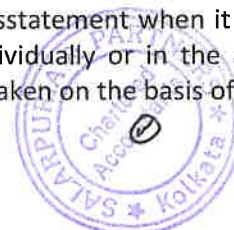
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant of the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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Branches at New Delhi & Bangalore

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





Salarpuria & Partners

CHARTERED ACCOUNTANTS
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e-mail : salarpuria.jajodia@rediffmail.com
office@salarpuriajajodia.com
Branches at New Delhi & Bangalore

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note 24.1 to the Ind AS Financial Statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Salarpuria & Partners
Chartered Accountants
Firm ICAI Reg. No. 302113E

Nihar Ranjan N.

N. R. N. Sahu
Chartered Accountant
Membership No. - 57076
Partner



UDIN: 20057076AAAAA22191
Place: Kolkata
Date: 31st July 2020



Salarpuria & Partners

CHARTERED ACCOUNTANTS

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

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the Fixed Asset, according to the practice of the Company, are been physically verified by the management at reasonable intervals, in as phased verification programme, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the Fixed Assets has been physically verified by the management during the year and no material discrepancies between the books records and the physical Fixed Asset has been noticed.
 - (c) The title deeds of Immovable Properties are held in the name of the Company.
- ii) The Management has conducted the physical verification of inventory at reasonable interval and in respect of stocks with third parties at the year end, written confirmations have been obtained and no material discrepancies have been noticed on physical verification of Inventory as compared to the book records.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, limited liability partnerships, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence comment on paragraph (iii) of the said Order is not applicable.
- iv) In our opinion and according to the information and explanations given to us by the management, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, where applicable, with respect to the loans, investments, guarantees and security made.
- v) According to the information and explanations given to us, there are no such deposits taken by the Company, for which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015, with regard to deposits accepted from the public are not applicable.
- vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the company. Hence, a comment on paragraph (vi) of the said Order is not applicable.





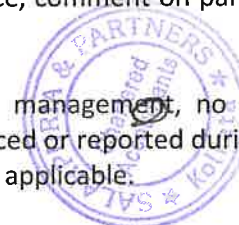
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- vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed Statutory Dues like Provident Fund, Employees' State Insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Goods & Service Tax and other statutory dues applicable to it with the appropriate authorities and there is no outstanding statutory dues as at 31.03.2020 for the period of more than six months from the date they became payable.
- (b) According to information and explanation given to us by the management, there were no statutory dues payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute save and except:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Related Year	Forum in which Dispute is Pending
West Bengal Sales Tax Act,1994	Assessed Dues	414,263	2004-2005	WBCT(A/R) Board
Central Sales Tax Act,1956	Assessed Dues	181,067	2004-2005	WBCT(A/R) Board
Central Sales Tax Act,1956	Assessed Dues	1,634,285	1998-1999	Registrar Maharashtra Sales Tax Tribunal, Mumbai
Central Sales Tax Act,1956	Assessed Dues	5,926,481	1999-2000	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Bombay Sales Tax Act,1959	Assessed Dues	1,044,631	2000-2001	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	1,389,004	2000-2001	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	1,202,194	2001-2002	Registrar Maharashtra Sales Tax Tribunal, Mumbai
Bombay Sales Tax Act,1959	Assessed Dues	949,067	2002-2003	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	390,538	2002-2003	Deputy Commissioner of Sales Tax(Appeal), Nagpur
Central Sales Tax Act,1956	Assessed Dues	62,70,042	2007-2008	Maharashtra Sales Tax Tribunal, Nagpur
Total		1,94,01,572		

- viii. According to the information and explanations given to us and on basis of examination of records of the company, the company has not defaulted in repayment of loans or borrowings to financial institutions, banks. The Company has not taken any loan from government and has not issued debentures.
- ix. According to the audit procedures performed and information and explanation given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Hence, comment on paragraph (ix) of the said Order is not applicable.
- x. According to the information and explanations given to us by the management, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit. Hence, comment on paragraph (x) of the said Order is not applicable.





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- xi. According to the information and explanations given to us and on the basis of examination of records of the company, the company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our Opinion, the company is not a Nidhi Company. Hence, paragraph (xii) of the said Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. So, a comment on paragraph (xiv) of the said order is not applicable.
- xv. The company has not entered into any non-cash transactions with the directors or persons connected with him. Hence, a comment on paragraph (xv) of the said Order is not applicable.
- xvi. The Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934.

For Salarpuria & Partners

Chartered Accountants

Firm ICAI Reg. No. 302113E

Nihar Ranjan Na

N. R. Na
Chartered Accountant
Membership No. 57876
Partner

UDIN: 20057076AAAAA22191

Place: Kolkata

Date: 31st July 2020





Salarpuria & Partners

CHARTERED ACCOUNTANTS
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ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **HINDUSTHAN UDYOG LIMITED** ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

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





Salarpuria & Partners

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Salarpuria & Partners
Chartered Accountant
Firm ICAI Reg. No. 302113E

Nihar Ranjan Majumdar

N. R. Majumdar
Chartered Accountant
Member since No. 6775
Partner

UDIN: 20057076AAAAA22191
Place: Kolkata
Date: 31st July 2020



HINDUSTHAN UDYOG LTD
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2020
CIN No.: L27120WB1947PLC015767

₹ in Lakhs

ASSETS	Notes	As At 31.03.2020	As At 31.03.2019
(1) NON CURRENT ASSETS			
(a) Property, Plant and Equipment	2	1,144.89	1,237.90
(c) Financial Assets			
(i) Investments	3(a)	1,013.76	994.63
(ii) Trade Receivables	3(b)	-	-
(iii) Others	3(c)	28.79	19.55
(d) Deferred Tax Assets (Net)	4	-	-
(e) Other Non- Current Assets	5	91.41	91.30
Total (a)		2,278.85	2,343.38
(2) CURRENT ASSETS			
(a) Inventories	6	961.18	942.97
(b) Financial Assets			
(i) Trade Receivables	3(b)	469.57	682.60
(ii) Cash & Cash Equivalents	7(a)	19.33	743.74
(iii) Others	7(b)	39.30	43.68
(c) Current Tax Asset (Net)	8	152.45	139.36
(d) Other Current Assets	9	6,769.68	4,656.26
Total (b)		8,411.51	7,208.61
Total Assets		10,690.36	9,551.99

EQUITY AND LIABILITIES	Notes	As At 31.03.2020	As At 31.03.2019
(1) EQUITY			
(a) Share Capital	10(A)	717.67	717.67
(b) Other Equity	10(B)	2,588.35	2,445.37
Total Equity		3,306.02	3,163.04
(2) LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11(a)	515.93	473.31
(iii) Other Financial Liabilities	11(c)	34.28	79.84
(b) Provisions	12	234.26	197.90
(c) Deferred Tax Liabilities (Net)	4	100.25	113.66
		884.72	864.71
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13(a)	3.75	12.50
(ii) Trade Payables	11(b)		
Total Outstanding dues of Micro, Small and Medium Enterprise		6.90	5.44
Total Outstanding dues of creditors other than Micro, Small and Medium Enterprise		354.98	430.49
(iii) Other Financial Liabilities	13(b)	203.87	185.53
(b) Other Current Liabilities	14	5,910.65	4,873.65
(c) Provisions	15	19.46	16.63
		6,499.61	5,524.24
Total Liabilities		7,384.33	6,388.95
Total Equity and Liabilities		10,690.36	9,551.99

Significant Accounting Policies & Other Notes

1 & 24

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For SALARPURIA & PARTNERS

Chartered Accountants
 Firm ICAI Reg. No.302113E

Nihar Ranjan Nayak

N.R. Nayak

Chartered Accountant
 Membership No.-5,076

Place : Kolkata Partner
 Date : 31st July, 2020

For and on behalf of the Board of Directors

Sitika Bora
 Pratik Aggarwal
 Megam



Company Secretary

Directors

HINDUSTHAN UDYOG LTD

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020

CIN No.: L27120WB1947PLC015767

₹ in Lakhs

Particulars	Notes	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
I. Revenue from Operations	16	1,249.09	1,652.51
II. Other Income	17	559.99	456.24
III. Total Revenue (I +II)		1,809.08	2,108.76
IV. Expenses:			
Cost of Materials Consumed	18	795.43	755.98
Excise Duty & GST		-	-
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	19	(132.62)	388.25
Employee Benefit Expenses	20	532.68	516.99
Finance Costs	21	43.67	140.47
Depreciation and Amortization Expense	22	97.73	111.29
Other Expenses	23	338.49	357.33
IV. Total Expenses		1,675.38	2,270.31
V. Profit/(Loss) before Tax & Exceptional Items and Tax (III - IV)		133.70	(161.55)
VI. Exceptional Item		-	-
VII. Profit/(Loss) before Tax (V -VI)		133.70	(161.55)
VIII. Tax Expense:			
1 Current Tax		-	-
2 Tax for earlier years (Net)		0.20	-
3 Deferred Tax		-	-
Net Current Tax (VIII)		0.20	-
IX. Profit/(Loss) for the Period (VII- VIII)		133.50	(161.55)
X. Other Comprehensive Income for the period			
(A) (i) Item that will not be reclassified to Profit or Loss			
→Changes in Fair Valuation of Equity Instrument		19.13	1.02
→Remeasurement of Defined benefit Plans		(23.06)	(5.30)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		13.41	(4.23)
(B) (i) Items that will be reclassified to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
XI. Total Comprehensive Income for the period (IX +X)		142.98	(170.06)
Earnings per Equity Share (for Continuing Operation):	24.7		
(1) Basic		1.86	(2.25)
(2) Diluted		1.86	(2.25)

Significant Accounting Policies & Other Notes

1&24

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

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

Nihar Ranjan Na

N. R. N. Saha
Chartered Accountant
Membership No.-57676

Place : Kolkata Partner
Date : 31st July, 2020

Sukho Bajor

For and on behalf of the Board of Directors

Pratik Agarwal
Director



HINDUSTHAN UDYOG LTD

Statement of Standalone Cash Flows for the year ended 31.03.2020

₹ in Lakhs

PARTICULARS	For the year ended 31.03.2020	For the year ended 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	133.70	(161.55)
Adjustment for :		
Depreciation & Amortisation	97.73	111.29
Interest Expense	43.67	140.47
Interest Income	(50.20)	(58.54)
Provisions	16.13	16.50
Dividend Income	(289.62)	(154.47)
Profit on sale of Shares	-	(0.06)
(Profit)/Loss on Sale of Property, Plant and Equipment	(3.92)	-
Operating Profit before Working Capital Changes	(52.52)	(106.35)
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	(74.37)	(70.44)
Increase/(Decrease) in Other Current Liabilities	1,036.99	(105.36)
(Increase)/ Decrease in Inventories	(18.21)	363.18
(Increase)/ Decrease in Trade Receivables	213.03	154.83
Increase/ (Decrease) in Other Current Financial Liabilities	18.33	75.27
(Increase)/Decrease in Other Current Assets	(2,113.42)	437.17
(Increase)/Decrease in Other Non-Current Financial Assets	(9.24)	(14.27)
(Increase)/Decrease in Other Non-Current Assets	(0.11)	0.00
(Increase)/Decrease in Other Current Financial Assets	4.38	(14.47)
Cash generated from/(used in) Operations	(995.13)	719.57
Direct Taxes Paid (Net)	(13.29)	(28.82)
Net Cash from Operating Activities	(1,008.41)	690.75
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Property, Plant and Equipment	9.61	6.04
Interest Received	4.64	11.45
Dividend Received	289.62	154.47
(Purchase)/Sale of Investments (Net)	-	1.00
Purchase of Property, Plant and Equipment	(10.40)	(13.68)
Increase/Decrease in Bank Deposits	-	-
Net Cash from Investing Activities	293.48	159.27



HINDUSTHAN UDYOG LTD

Statement of Standalone Cash Flows for the year ended 31.03.2020

₹ in Lakhs

PARTICULARS	For the year ended 31.03.2020	For the year ended 31.03.2019
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(0.73)	(92.10)
Repayment :		
Proceeds/(Repayment) of Long Term Borrowings	-	-
Proceeds/(Repayment) of Short Term Borrowings	(8.74)	(66.91)
Net Cash from Financing Activities	(9.47)	(159.00)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	(724.41)	691.02
Cash and Cash Equivalents at the beginning of the year	743.74	52.72
Cash and Cash Equivalents at end of the year	19.33	743.74

PARTICULARS	As At 31.03.2020	As At 31.03.2019
Cash & Cash Equivalents :		
Balances with Bank		
Current Account	9.29	729.39
Bank Book Overdraft	(3.72)	
Cash on Hand	13.76	14.34
Total	19.33	743.74

Note :

- (a) Previous year's figures have been regrouped/recasted wherever necessary.
- (b) The above cash flow has been prepared under "Indirect Method" as per Ind AS 7, "Statement of Cash Flows", as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant

Membership No.-57075

Place : Kolkata

Date : 31st July, 2020

Partner



Company Secretary

For and on behalf of the Board of Directors

Shikha Bajora
 Ratul Aggarwal
 Ujjwal

Directors

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

STATEMENT OF CHANGES IN EQUITY	Note No.	RESERVES & SURPLUS						OTHER COMPREHENSIVE INCOME		Total Equity Attributable to Equity Holders of the Company
		Securities Premium	Revaluation Surplus	General Reserve	Special Capital Incentive	Capital Reserve	Retained Earnings	Fair Value Gain/(Loss) on Equity Instruments	Remeasurement of Defined Benefit Plans	
		138.41	48.45	121.62	30.00	3,908.28	(2,058.01)	440.21	(13.53)	2,615.43
Balance as on 01.04.2018										
Transfer to Retained Earning		-	-	-	-	-	-	-	-	-
Earlier adjusted from Revaluation Reserve		-	-	-	-	-	(161.55)	-	-	(161.55)
Profit for the year 2018-19		-	-	-	-	-	-	-	-	-
Rectification of Errors		-	-	-	-	-	-	-	-	-
Changes in Accounting Policies		-	-	-	-	-	-	-	-	-
Prior Period Errors		-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	(5.30)	(5.30)
Changes in Fair Value of Investment		-	-	-	-	-	-	1.02	-	1.02
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	(4.23)	-	(4.23)
Restated Balance at 31st March, 2019		138.41	48.45	121.62	30.00	3,908.28	(2,219.56)	437.00	(18.83)	2,445.37
Profit for the year 2019-20		-	-	-	-	-	133.50	-	-	133.50
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-	-
Adjusted during the year		-	-	-	-	-	-	-	-	-
Dividend Paid		-	-	-	-	-	-	-	-	-
Tax on Dividend		-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings		-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	(23.06)	(23.06)
Changes in Fair Value of Investment		-	-	-	-	-	-	19.13	-	19.13
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	13.41	-	13.41
Balance as at 31st March, 2020		138.41	48.45	121.62	30.00	3,908.28	(2,086.06)	469.54	(41.89)	2,588.35



NOTE 1 (A) : CORPORATE INFORMATION

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

NOTE 1 (B) : SIGNIFICANT ACCOUNTING POLICIES.

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

1) BASIS OF PREPARATION

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

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

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

The financial statements for the year ended 31st March, 2020 have been approved by the Board of Directors of the Company in their meeting held on 31st July, 2020.

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

Use of Estimates and Management Judgement

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



II) Revenue Recognition

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

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

III) Other Income:

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

IV) Property, Plant and Equipment

- a) Asset Class:
 - i) Freehold Land is carried at historical cost including cost that is directly attributable to the acquisition of the land.
 - ii) All other items of property, plant and equipment are stated at historical cost less accumulated depreciation/ amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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



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

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

Depreciation

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

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

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

V) Disposal of Assets

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

VI) Investment Property

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



VII) Foreign currency Transactions

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

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

VIII) Inventories

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

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

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

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

IX) Financial Instruments

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

Classification of Financial Assets

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

Financial assets at amortised cost and the effective interest method

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

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



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

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

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

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

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

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

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

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

A financial asset is held for trading if:

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

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



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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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



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

Financial Liabilities and equity instruments issued by the Company**Classification as debt or equity**

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

Equity instruments

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

Compound Instruments

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

Financial Liabilities

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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



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

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

Other Financial Liabilities

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

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

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

X) Trade Receivables

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

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

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

XI) Trade Payables

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

XII) Borrowings

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

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



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

XIII) Foreign Currency Transactions

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

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

XIV) Income Tax

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

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

Current Income Tax

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

XIV) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if

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

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



Contingent Liabilities

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

Contingent Assets

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

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

XVI) Employees Benefit Expenses**a) Short Term Obligations**

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

b) Long Term Employee Benefit Obligations

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

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

XVII) Dividend

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

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



XVIII) Earnings Per Share

Earnings Per Share is calculated by dividing the net profit or loss of the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings Per Share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

in Lakhs

NOTE 2: PROPERTY, PLANT & EQUIPMENT

Particulars	PROPERTY, PLANT & EQUIPMENT										Total
	Freehold Land	Lease Hold Land **	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings			
Gross block	193.63	166.84	569.52	515.16	1.02	31.92	70.78	49.31			1,598.19
Gross Carrying Amount As At 1st April, 2019	-	-	1.85	0.69	-	5.75	-	2.12			10.40
Additions during the year	-	-	-	-	-	-	-	-			-
Reclassification made during the year	-	-	-	(9.32)	-	-	(43.33)	-			(52.65)
Disposals/deductions during the year	-	-	-	-	-	-	-	-			-
Gross carrying amount as at 31st March, 2020	193.63	166.84	571.37	506.53	1.02	37.67	27.46	51.42			1,555.95
Depreciation /Amortisation											
Accumulated depreciation/amortisation as at 1st April, 2019	-	4.38	87.50	175.82	0.87	27.97	41.62	22.12			360.29
Depreciation/ amortisation for the year	-	1.46	27.68	51.48	0.09	1.55	9.04	6.42			97.73
Reclassification made during the year	-	-	-	-	-	-	-	-			-
Disposals/deductions during the year	-	-	-	(4.21)	-	-	(42.75)	-			(46.96)
Accumulated depreciation as at 31st March, 2020	-	5.84	115.18	223.09	0.97	29.52	7.92	28.54			411.06
Net carrying amount as at 31st March, 2020	193.63	161.00	456.18	283.44	0.06	8.15	19.54	22.89			1,144.89

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 were as follows:

Particulars	PROPERTY, PLANT & EQUIPMENT										Total
	Freehold Land	Lease Hold Land **	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings			
Gross block	193.63	166.84	569.52	515.74	0.84	31.92	70.78	43.35			1,592.64
Gross Carrying Amount As At 1st April, 2018	-	-	-	8.42	0.18	-	-	5.95			14.55
Additions during the year	-	-	-	-	-	-	-	-			-
Reclassification made during the year	-	-	-	(9.00)	-	-	-	-			(9.00)
Disposals/deductions during the year	-	-	-	-	-	-	-	-			-
Gross carrying amount as at 31st March, 2019	193.63	166.84	569.52	515.16	1.02	31.92	70.78	49.31			1,598.19
Depreciation /Amortisation											
Opening accumulated depreciation/amortisation as at 1st April, 2018	-	2.92	59.14	122.92	0.72	22.35	28.43	15.47			251.96
Depreciation/ amortisation for the year	-	1.46	28.36	55.86	0.15	5.62	13.19	6.65			111.29
Reclassification made during the year	-	-	-	-	-	-	-	-			-
Disposals/deductions during the year	-	-	-	(2.96)	-	-	-	-			(2.96)
Accumulated depreciation as at 31st March, 2019	-	4.38	87.50	175.82	0.87	27.97	41.62	22.12			360.29
Net carrying amount as at 31st March, 2019	193.63	162.46	482.02	339.34	0.15	3.95	29.16	27.19			1,237.90
Net carrying amount as at 1st April, 2018	193.63	163.92	510.38	392.82	0.12	9.57	42.35	27.89			1,340.68

* Cost of Leasehold Land at Nagpur is amortized over the period of the Lease of 95 Years.

Provision for amortisation of Long term Leasehold land at Durgapur has not been made.

** Certain portions of the Factory premises have been given on lease.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

Note : 3 FINANCIAL ASSETS	No. of Shares	As At 31.03.2020	No. of Shares	in Lakhs	
				As At 31.03.2019	As At 31.03.2019
(A) INVESTMENTS (Measured at fair value through Other Comprehensive Income)					
(i) Investment in Equity Instrument (Quoted)					
1) Tea Time Ltd.	1,14,000	96.77	1,14,000	100.13	
2) Phosphate Co. Ltd.	26,400	52.00	26,400	41.64	
3) Northern Projects Ltd.	1,39,900	110.97	1,39,900	112.83	
4) Asutosh Enterprises Ltd.	1,50,000	61.84	1,50,000	55.85	
5) Neptune Exports Ltd.	2,30,500	141.01	2,30,500	138.25	
6) Orient International Ltd.	1,65,000	47.12	1,65,000	47.22	
7) Bengal Steel Industries Ltd.	3,45,000	63.03	3,45,000	69.03	
8) WPIL Ltd. (Associate)	38,61,659	357.48	38,61,659	357.48	
Total (i)		930.24		922.43	
(ii) Investment in Equity Instrument (Unquoted)					
1) Hindusthan Parsons Ltd.	5,00,000	59.72	5,00,000	57.30	
2) H. S. M. International Pvt. Ltd.	1,52,500	7.26	1,52,500	7.46	
3) Tamilnadu Alkaline Batteries Ltd.	3,00,000	3.00	3,00,000	3.00	
4) Spaans Babcock India Ltd. (Associate)	25,000	2.50	25,000	2.50	
5) Bengal Central Building Society Ltd.	10,000	0.52	10,000	0.56	
6) Kabini Papers Ltd., in Liquidation	42,135	-	42,135	-	
7) AKA Washeries India Pvt. Ltd.	2,000	0.02	2,000	0.02	
8) Huwood Hindusthan Pvt. Ltd.	2,000	1.47	2,000	1.21	
9) Macneill Electricals Ltd.	918	8.88	918	0.01	
Total (ii)		83.37		72.05	
(iii) Investment in Govt. Securities (NSC)					
		0.15		0.15	
Total (i + ii + iii)		1,013.76		994.63	

	As at 31st March 2020		As at 31st March 2019	
	Cost	Market Value	Cost	Market Value
Aggregate value of Quoted Investments	388.85	11,418.23	388.85	32,140.59

(B) TRADE RECEIVABLES	As At 31.03.2020	As At 31.03.2019
Current Portion	469.57	682.60
Non- Current Portion	-	-
	469.57	682.60
Considered Good - Secured		
Considered Good - Unsecured	469.57	682.60
Having Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Doubtful	44.46	44.46
Total	514.03	727.06
Loss Allowance	(44.46)	(44.46)
Total Unsecured Trade Receivable	469.57	682.60

(C) OTHER NON CURRENT FINANCIAL ASSETS	As At 31.03.2020	As At 31.03.2019
Bank Deposits with Maturity more than 12 months	28.79	19.55
Total Non Current Other Non Financial Assets	28.79	19.55



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

<i>Note : 4 DEFERRED TAX (NET)</i>	As At 31.03.2020	in Lakhs	
		As At 31.03.2019	
Deffered Tax Asset / (Liability)	(100.25)	(113.66)	
Total	(100.25)	(113.66)	

<i>Note : 5 OTHER NON CURRENT ASSETS</i>	As At 31.03.2020	As At 31.03.2019	
Advances - Non Current	1.27	1.27	
Mat Credit Entitlement	11.47	11.47	
Security Deposits	78.68	78.57	
Total	91.41	91.30	

<i>Note : 6 INVENTORIES</i>	As At 31.03.2020	As At 31.03.2019	
Raw Material	326.93	426.65	
Work In Progress	452.05	319.43	
Finished Goods	-	-	
Tools & Implements	182.20	196.89	
Total	961.18	942.97	



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

in Lakhs

Note : 7(A) CASH AND CASH EQUIVALENT	As At 31.03.2020	As At 31.03.2019
Balances with Bank		
- In Current Account	9.29	729.39
- Bank Book Overdraft	(3.72)	-
Cash on Hand	13.76	14.34
Total	19.33	743.74

Note : 7(B) OTHER CURRENT FINANCIAL ASSETS	As At 31.03.2020	As At 31.03.2019
Accrued Interest	0.14	0.14
Bank Deposits with Maturity more than 3 months less than 12 months	39.16	43.54
Total	39.30	43.68

Note : 8 CURRENT TAX ASSET (NET)	As At 31.03.2020	As At 31.03.2019
Advance payment of Income Tax (Net)	149.88	136.80
Advance Sales Tax	2.57	2.57
Total	152.45	139.36

Note : 9 OTHER CURRENT ASSETS	As At 31.03.2020	As At 31.03.2019
Advances to Staff (Unsecured- Considered Good)	6.25	8.68
Advances to Others	6,745.01	4,631.03
Security Deposit	12.49	12.79
Prepaid Expenses	3.41	3.52
Other Receivables	2.51	0.24
Total	6,769.68	4,656.26



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

₹ in Lakhs

Note : 10 (A) STATEMENT OF CHANGES IN EQUITY	As At 31.03.2020	As At 31.03.2019
(A) I Equity Share Capital		
Authorised Shares		
485,00,000 Equity Shares of ` 10/- each	4,850.00	4,850.00
60,00,000 10% Cumulative Redeemable Preference shares of ` 10/- each	600.00	600.00
	5,450.00	5,450.00
Issued, Subscribed & Paid-Up Shares		
71,76,725 Equity Shares of ` 10/- each, fully paid	717.67	717.67
Total	717.67	717.67

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

Equity Shares	Nos.	As At 31.03.2020	Nos.	As At 31.03.2019
At the beginning of the period	71,76,725	717.67	71,76,725	717.67
Issued during the period	-	-	-	-
Outstanding at the end of the period	71,76,725.00	717.67	71,76,725.00	717.67

b. Terms/Rights attached to Equity Shares

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

c. The Company does not have any Holding Company, ultimate Holding Company or Subsidiary Company.

d. Details of Shareholders holding more than 5% of Shares in the Company

Particulars	Nos.	As at 31.03.2020 % Holding in the Class	Nos.	As at 31.03.2019 % Holding in the Class
Equity Shares of ` 10/- Each				
1. V.N. Enterprises Limited	16,59,625	23.13	16,59,625	23.13
2. Poonam Jhaver	10,00,000	13.93	10,00,000	13.93
3. Bengal Steel Industries Limited	5,98,600	8.34	5,98,600	8.34
4. Tea Time Limited	5,94,600	8.29	5,94,600	8.29
5. Neptune Exports Limited	5,90,400	8.23	5,90,400	8.23
6. Orient International Limited	5,46,850	7.62	5,46,850	7.62
7. Asutosh Enterprises Limited	4,57,500	6.37	4,57,500	6.37
8. Prakash Agarwal	5,16,200	7.19	5,16,200	7.19

e. No Shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment including the terms and amounts.

f. For the period of five years immediately preceding the date as at the Balance Sheet is prepared:

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

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

No Shares has been bought back by the Company.



HINDUSTHAN UDYOG LTD

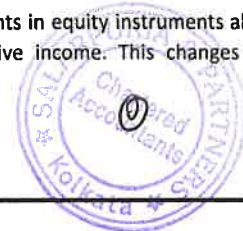
Notes to Standalone Financial Statement As At 31.03.2020

₹ in Lakhs

Note : 10 (B) OTHER EQUITY	As At 31.03.2020	As At 31.03.2019
(a) Security Premium		
As per Last Balance Sheet	138.41	138.41
(b) Revaluation Surplus		
As per Last Balance Sheet	48.45	48.45
Less : Transferred to Retained Earnings	-	-
Closing Balance	48.45	48.45
(c) General Reserve		
As per Last Balance Sheet	121.62	121.62
(d) Special Capital Incentive		
As per Last Balance Sheet	30.00	30.00
(e) Capital Reserve		
As per Last Balance Sheet	3,908.28	3,908.28
(f) Retained Earnings		
As per Last Balance Sheet	(2,219.56)	(2,058.01)
Add: Transfer from Revaluation Surplus	-	-
Profit for the Year	133.50	(161.55)
Closing Balance	(2,086.06)	(2,219.56)
(g) Other Comprehensive Income		
As per Last Balance Sheet	418.17	426.68
Effect of Conversion to Ind AS		
Movement in OCI during the year	9.48	(8.51)
Closing Balance	427.65	418.17
Total	2,588.35	2,445.37

Nature and Purpose of Reserve

- a) **Securities Premium**
Securities Premium is the premium on issue of equity shares. The reserve will be utilised in accordance with the provision of the Act.
- b) **Revaluation Surplus**
Revaluation Reserve arises on account of revaluation of Land.
- c) **General reserve**
General reserves is part of retained earnings of company which are kept aside out of company's profits to meet future obligations.
- d) **Special Capital Incentive**
Special Capital arises on account of Business Combination.
- e) **Capital Reserve**
Capital Reserve arises on account of Business Combination.
- f) **Retained Earnings**
Retained Earnings is the present accumulated profits/(losses) earned the Company and remaining undistributed as on date.
- g) **FVTOCI Reserve**
The Company has elected to recognise changes in the fair value of investments in equity instruments along with remeasurement of Defined Benefit plans through other comprehensive income. This changes are accumulated within the FVTOCI Reserve.



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

₹ in Lakhs

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2020	As At 31.03.2019
(A) BORROWINGS		
Unsecured		
Preference Shares	514.76	472.14
Deferred Sales Tax Loan	1.17	1.17
Total	515.93	473.31

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2020	As At 31.03.2019
(B) TRADE PAYABLES		
CURRENT		
Trade Payables		
~ Total Outstanding Dues to Micro and Small Enterprises *	6.90	5.44
~ Total Outstanding dues of Creditors other than Micro Enterprise & Small Enterprises*	354.98	430.49
Total	361.89	435.93
NON-CURRENT		
Retention Payable to Contractor	-	-
Total	-	-

Particulars	As At 31.03.2020	As At 31.03.2019
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year (but within due date as per the MSMED Act).	6.90	5.44
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	NIL	NIL
the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of accounting year	0.33	0.52
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

₹ in Lakhs

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2020	As At 31.03.2019
(C) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	34.28	79.84
Total	34.28	79.84

Note : 12 LONG TERM PROVISIONS	As At 31.03.2020	As At 31.03.2019
Provision for Employee Benefits		
– Provision for Gratuity	198.14	164.26
– Provison for Leave Encashment	36.13	33.64
Total	234.26	197.90



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

₹ in Lakhs

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2020	As At 31.03.2019
(A) BORROWINGS		
Loans Repayable on demand (Unsecured)		
• From Banks		
– Cash Credit Facilities (Secured)	-	-
Inter Corporate Deposits (Unsecured)	-	-
Vehicle Loan		
(i) From Banks *	3.75	12.50
Total	3.75	12.50

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

Rate of Interest :

Car Loan - 08.50% (Repayable in 5 Monthly Installments)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2020	As At 31.03.2019
(B) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	45.56	45.56
Interest on ICD Payable	90.88	90.88
Other Payables	2.75	2.75
Payable to Employees	64.68	46.35
Total	203.87	185.53

Note : 14 OTHER CURRENT LIABILITIES	As At 31.03.2020	As At 31.03.2019
Advance from Customers*	1,076.07	3.00
Deposits From Contractors	4.99	4.88
Statutory Dues Payable		
– Provident Fund	2.61	4.68
– Employee State Insurance Fund & Labour Welfare Fund	0.16	1.05
– Goods & Services Tax		
* C. G. S. T. Payable	0.91	7.55
* S. G. S. T. Payable	0.91	7.55
* I. G. S. T. Payable	2.02	20.50
– Tax Deducted At Source	3.36	5.56
– Professional Tax	1.48	0.87
Advance From Others *	4,818.14	4,818.02
Total	5,910.65	4,873.65
* Includes from WPIL Limited (Associate)	5,276.07	4,200.00



HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2020

₹ in Lakhs

Note : 15 SHORT TERM PROVISIONS	As At 31.03.2020	As At 31.03.2019
Provision for Employee Benefits – Provision for Gratuity – Provison for Leave Encashment	14.54 4.92 -	14.12 2.51 -
Total	19.46	16.63



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2020

₹ in Lakhs

Note : 16 REVENUE FROM OPERATIONS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A) Revenue from Sale of Products	1,121.19	1,628.03
Sub Total (A)	1,121.19	1,628.03
B) Other Operating Revenues		
Recovery towards Pattern charges	83.65	9.58
Sale of Export Licence	38.05	-
Duty Drawback	6.20	6.14
Scrap Sales	-	8.77
Sub Total (B)	127.90	24.49
Total (A + B)	1,249.09	1,652.51

Note : 17 OTHER INCOME	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
(a) <u>Interest Income</u>		
– Of Preference Share amortised through FVTPL	45.56	47.09
(b) <u>Dividend Income</u>		
– Dividends from quoted equity investments measured at fair value through OCI*	-	-
– Dividends from Associate Company	289.62	154.47
(c) <u>Other Non Operating Income</u>		
– Income From Security Deposits	-	3.03
– Income From Fixed Deposit	4.64	8.42
– Profit From Sale of Property Plant & Equipment (Net)	3.92	-
– Rent	213.56	239.51
– Profit on Foreign Exchange Fluctuation	-	3.17
– Sundry Balances Written Back (Net)	0.14	0.50
– Misc. Receipts	2.54	-
(d) <u>Other Gains & Losses</u>		
– Profit on Sale of Shares measured at FVTPL	-	0.06
Total	559.99	456.24



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2020

₹ in Lakhs

Note : 18 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Raw Material Consumed	361.97	331.54
Stores Consumed	207.55	227.23
Power & Fuel	225.91	197.21
Total	795.43	755.98

Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SALEABLE SCRAP	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Stock at the Beginning of the Year		
Finished Goods	-	-
Work-in-Progress	319.43	707.68
Saleable Scrap	-	-
Total	319.43	707.68
Stock at the End of the year		
Finished Goods	-	-
Work-in-Progress	452.05	319.43
Saleable Scrap	-	-
	452.05	319.43
Changes in Inventories of Finished Goods, Work In Progress and Saleable Scrap	(132.62)	388.25

Note : 20 EMPLOYEE BENEFIT EXPENSES	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Salary, Wages, Bonus & Allowances *	452.25	436.36
Contribution to Provident Fund, Gratuity, ESI & Other Fund	68.03	66.52
Staff Welfare Expenses	12.39	14.12
Total	532.68	516.99

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



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2020

Note : 21 FINANCE COSTS	₹ in Lakhs	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest		
(i) <u>Interest cost on Financial Liabilities measured at amortized cost</u>		
– on borrowings from banks	0.73	92.10
– on MSME dues	0.33	0.52
– on preference shares calculated as per Effective Interest Method	42.61	47.86
Total	43.67	140.47

Note : 22 DEPRECIATION & AMORTISATION EXPENSE	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
	Depreciation on Property, Plant & Equipment	97.73
Total	97.73	111.29



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2020

(@ In Lakhs)

Note : 23 OTHER EXPENSES	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Component Processing Expense	70.50	106.41
Selling & Distribution Expenses		
Freight & Transportation	24.14	28.06
Advertisement & Sales Promotion	0.49	0.22
Rates & Taxes	8.62	15.12
Repairs & Maintenance		
Repairs to Plant & Machinery	37.26	20.61
Repairs to Factory Building	5.95	-
Repairs to Others Assets	0.04	5.76
Travelling Expenses		
Inland Travelling	6.01	3.93
Foreign Travelling	-	3.17
Auditors' Remuneration		
- Audit Fees	2.75	1.75
- Tax Audit Fees	0.25	0.25
- Certification/Limited Review Fees	1.90	1.20
Commission, Discount & Rebates	-	19.61
Legal & Professional	10.47	8.06
Director Meeting Fees	0.27	0.20
Service Charges	23.81	32.45
Liquidated Damages	3.92	9.23
Electricity Charges	-	1.69
Factory Electric Charges	1.00	0.98
Rent	14.46	14.62
Factory Godown Rent	3.16	3.16
Bank Charges	1.32	4.46
Conveyance Charges	2.73	5.17
Vehicle Maintenance	9.84	13.37
Sundry Balances Written Off	-	28.68
Printing & Stationery	1.16	1.58
Postage, Telegram & Telephone	1.88	3.09
Insurance	3.15	5.13
Listing Fees	19.81	3.25
Loss on Foreign Exchange Fluctuation	0.24	-
Bad Debts	-	3.30
Donation & Subscription	0.85	1.84
Miscellaneous Expenses	82.49	11.00
Total	338.49	357.33



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note: 24 NOTES**24.1 Contingent Liabilities**

- a) Letters of Guarantee outstanding as at 31.03.2020 is ` 32.09 Lacs (Previous Year - ` 43.77 Lacs)
 b) Claim not acknowledged as debts: - Disputed demand for Sales Tax ` 131.32 Lacs (Previous Year - ` 131.32 Lacs) appealed against.
 c) VAT Case filed for the year 2007-08 of 2 62.70 lakhs.

24.2 Related Party Disclosures:i) **Relationship****Key Managerial Personnel (KMP) & their Relatives**

- a) Mr. V.N. Agarwal Managing Director
 b) Mr. Prakash Agarwal Director - Son of Mr. V.N. Agarwal
 c) Mrs. Premlata Agarwal ** Director - Wife of Mr. V.N. Agarwal
 d) Mrs. Ritu Agarwal * Wife of Mr. Prakash Agarwal
 e) Ms. Kiran Darulia Director
 f) Mr. Asim Kumar Ghosh Director

Entreprise Having Significant Influence

V.N. Entreprise Limited
 Macneill Electricals Limited (MEL)

Associate Company

WPIL Limited (WPIL)
 Spaans Babcock India Ltd.

* Resigned from post of Director with effect from 28.09.2018

** Resigned from post of Director with effect from 28.10.2019.

ii) **Transactions with Related Parties**

₹ in Lakhs

	MEL	WPIL	KMP
Sales & Services		609.31 (1,014.61)	-
Purchases		4.77 (32.79)	-
Dividend Receipts		289.62 (154.47)	-
Rent Receipts	2.16 27.22	210.00 (210.00)	-
Rent Paid	1.20 (1.20)	-	-
Managerial Remuneration - Mr. V.N. Agarwal		-	30.00 (30.00)
Directors Sitting Fees		-	0.27 (0.20)
Trade Receivables	-	17.49 (203.16)	-
Advance from Debtors	-	1,076.07	-

* All receivables and payables are subject to confirmation.



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

₹ in Lakhs

Name	Transactions	As At 31.03.2020	As At 31.03.2019
WPIL Limited	Opening Balance	4,200.00	2,850.00
	Capital Advance Taken		1,350.00
	Avance Refunded	-	-
	Closing Balance	4,200.00	4,200.00
V.N. Enterprises Limited	Opening Balance	4,300.00	3,228.25
	Performance Deposit Given	2,010.25	1,438.01
	Avance Refunded	22.25	366.26
	Closing Balance	6,288.00	4,300.00
Spaans Babcock India Ltd.	Opening Balance	-	-
	Advance Given	1.00	38.25
	Avance Refunded	1.00	38.25
	Closing Balance	-	-
Macneill Electricals Limited	Opening Balance	-	1,045.00
	Advance Given	80.00	111.50
	Avance Refunded	-	1,156.50
	Closing Balance	80.00	-

24.3 Segment Reporting

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

Information about Secondary Segments - Geographical

₹ in Lakhs

PARTICULARS		
(i)	Revenue by Geographical Market	
	- India	911.36
	- Outside India	337.73
		1,249.09

24.4 Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2020. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2020.

24.5 The company has received an advance of ₹ 4200.00 lakhs from WPIL Limited for acquisition of its Alloy and Stainless Steel Casting foundry unit in Nagpur. The necessary approval and formalities for the acquisition is pending no adjustment has been made in the financials.



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

₹ in Lakhs

Particulars		As At 31.03.2020	As At 31.03.2019
A. Financial Assets			
I. Measured at fair value through other comprehensive income (FVTOCI)			
Investments		1,013.61	994.63
II. Measured at amortised cost			
Trade Receivables		469.57	682.60
Cash & Cash Equivalents		19.33	743.74
B. Financial Liabilities			
I. Measured at amortised cost			
Borrowings		519.68	485.81
Trade Payables		-	-
Other Financial Liabilities		238.15	265.38

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

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

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

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

₹ in Lakhs

Particulars	Carrying Value	Level 1	Level 2	Level 3
Measured at fair value through Other Comprehensive Income (FVTOCI)				
As at 31st March 2020				
Investments	426.05	-	-	1,013.61
As at 31st March 2019				
Investments	426.05	-	-	994.48
Measured at amortised cost for which fair value is disclosed				
As at 31st March 2020				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 31st March 2019				
Deferred Sales Tax Loan	1.17	-	-	1.17



- 24.7 No Preference Dividend is payable to Preference Shareholders in respect of aforesaid 10% Cumulative Redeemable Preference Shares as they have waived their right in respect of any Preference dividend from the date of allotment of these Shares till the date of their redemption and measured at amortised cost. These Preference Shares are due for redemption on 9th January, 2019 but have been extended for a period of 3 Years i.e, 9th January, 2022.

24.8 **Earnings Per Share**

Particulars	2019-20	2018-19
Earnings available for Equity Shareholder (₹ in lakhs)	133.50	(161.55)
Weighted Average Number of Equity Shares	7176725	7176725
Earnings Per Share (basic/diluted) (₹)	1.86	(2.25)

- 24.9 The Board of Directors of the company, have approved a Scheme of Amalgamation\Merger at their meeting held on 21st March 2020 of the following Listed entities, i.e., a) Neptune Exports Limited, b)Northern Projects Limited, c)Tea Time Limited and d) Orient International Limited with the company with effect from 1st April 2019, the scheme is subject to approval of statutory authorities which is still pending.
- 24.10 The outbreak of COVID-19 globally and in India has caused significant disturbances and slow-down of economic activity. The Company's operations have also been impacted in the months of March 2020 and April 2020 due to temporary suspension of manufacturing facilities, sales and distribution following nationwide lockdown announced by the Government of India in view of COVID-19. However, post the permission for operations of certain activities by the Government of India in non containment zones, the Company has resumed operations at its manufacturing unit at Nagpur branch.
- In assessing the recoverability of carrying amount of Company's assets such as investments, loans and advances, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial results.
- Based on such evaluation, including current indicators of future economic conditions, the Company has concluded that the carrying amounts of the assets are recoverable. However, since the impact assessment of COVID-19 is a continuing process, the eventual impact may be different from the estimates made as of the date of approval of these results.



HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statements for the year ended 31.03.2020

24.11 Disclosures as required under Indian Accounting Standard 19 on "Employee Benefits"**A. Defined Benefit Plan**

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

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

₹ in Lakhs

PARTICULARS	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
1. Change in the Defined Benefit Obligation				
- Defined Benefit Obligation as at the beginning	178.37	158.87	36.15	33.85
- Current Service Cost	10.00	9.08	2.48	2.15
- Interest Expense or Cost	13.02	12.05	2.64	2.57
- Actuarial (gains) / losses arising from:	-	-	-	-
change in demographic assumptions	(0.07)	-	(0.01)	-
change in financial assumptions	12.38	3.57	1.79	0.56
experience variance	10.74	1.73	(0.16)	(0.84)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Benefits paid	(11.79)	(6.93)	(1.84)	(2.14)
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
- Present Value of Obligation as at the end	212.67	178.37	41.05	36.15
2. Expenses recognised in the statement of Profit & Loss				
- Current Service Cost	10.00	9.08	2.48	2.15
- Interest Expense or Cost	13.02	12.05	2.64	2.57
- Actuarial (gains) / losses arising from:	-	-	-	-
change in demographic assumptions	-	-	(0.01)	-
change in financial assumptions	-	-	1.79	0.56
experience variance	-	-	(0.16)	(0.84)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
Total	23.02	21.13	6.74	4.44
3. Other Comprehensive Income				
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	(0.07)	-	-	-
change in financial assumptions	12.38	3.57	-	-
experience variance	10.74	1.73	-	-
Total	23.06	5.30	-	-
4. Actuarial Assumptions				
(a) Financial Assumptions				
Discount rate p.a	6.40%	7.30%	6.40%	7.30%
Salary growth rate p.a	5.00%	5.00%	5.00%	5.00%

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

For SALARPURIA & PARTNERS

Chartered Accountants

Firm ICAI Reg. No. 302113E

N. R. N. Jau

Place: Kolkata

Date: 31st July, 2020

Accountant
Membership No. 37777
Partner

Sukho Bagg

Company Secretary



For and on behalf of the Board of Directors

Directors

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

HINDUSTHAN UDYOG LIMITED

**CONSOLIDATED BALANCE SHEET,
CONSOLIDATED STATEMENT OF PROFIT & LOSS,
AND CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2020**



Salarpuria & Partners

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INDEPENDENT AUDITOR'S REPORT

To The Members of Hindusthan Udyog Limited
Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Hindusthan Udyog Limited** (hereinafter referred to as the "Parent Company"), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, and its associates as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company, and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

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

Key Audit Matters

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

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





Salarpuria & Partners

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

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

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

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

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

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

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

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





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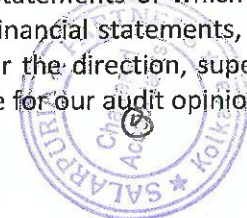
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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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





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

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

Other Matters

(a) The consolidated financial statements include the Parent company's share of net profit after tax of Rs 2191.01 lakhs for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of 01 (one) associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

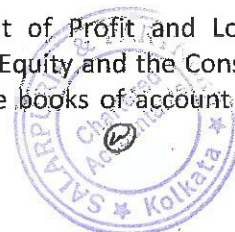
(b) The consolidated financial statements also include the Parent company's share of net profit after tax of Rs 03.47 lakhs for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of 01 (one) associate, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Parent company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information provided by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the preparation of the Consolidated Ind AS financial statements.





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- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associates company incorporated in India, none of the directors of the company, its associates companies incorporated in India is disqualified as on 31st March, 2020 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 -A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements – Refer Note 24.1 to the Consolidated Ind AS Financial Statements.
- (ii) The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Salarpuria & Partners
Chartered Accountants
Firm ICAI Reg. No. 302113E

Nihar Ranjan Nayak

N. R. Nayak
Chartered Accountant
Membership No.-57076
Partner

UDIN: 20057076 AAAABA 7812

Place : Kolkata

Date : 31st July 2020





Salarpuria & Partners

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ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

(Referred to Paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of Hindusthan Udyog Limited for the year ended 31st March, 2020)

We have audited the internal financial controls over financial reporting of **Hindusthan Udyog Limited** ("the Parent Company") and its associates as of 31st March, 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error.

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





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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Parent Company, its Associates has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For Salarpuria & Partners

Chartered Accountants

Firm ICAI Regn. No. 302113E

Nihar Ranjan

N. R. Nishu

Chartered Accountant
Membership No. 57016
Partner

UDIN: 20057076 AAAABA7812

Place: Kolkata.

Date: 31st July 2020



HINDUSTHAN UDYOG LTD

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

CIN No.: L27120WB1947PLC015767

(₹ in Lakhs)

ASSETS	Notes	As At 31.03.2020	As At 31.03.2019
(1) NON CURRENT ASSETS			
(a) Property, Plant and Equipment	2	1,144.89	1,237.90
(c) Financial Assets			
(i) Investments	3(a)	17,749.45	15,897.80
(ii) Trade Receivables	3(b)	-	-
(iii) Others	3(c)	28.79	19.55
(d) Deferred Tax Assets (Net)	4	-	-
(e) Other Non- Current Assets	5	91.41	91.30
Total (a)		19,014.54	17,246.55
(2) CURRENT ASSETS			
(a) Inventories	6	961.18	942.97
(b) Financial Assets			
(i) Trade Receivables	3(b)	469.57	682.60
(ii) Cash & Cash Equivalents	7(a)	19.33	743.75
(iii) Others	7(b)	39.30	43.68
(c) Current Tax Asset (Net)	8	152.45	139.36
(d) Other Current Assets	9	6,769.68	4,656.26
Total (b)		8,411.51	7,208.62
Total Assets		27,426.05	24,455.17

EQUITY AND LIABILITIES	Notes	As At 31.03.2020	As At 31.03.2019
(1) EQUITY			
(a) Share Capital	10(A)	717.67	717.67
(b) Other Equity	10(B)	19,324.05	17,348.54
Total Equity		20,041.72	18,066.21
(2) LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11(a)	515.93	473.32
(iii) Other Financial Liabilities	11(c)	34.28	79.85
(b) Provisions	12	234.26	197.90
(c) Deferred Tax Liabilities (Net)	4	100.25	113.66
		884.72	864.72
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13(a)	3.75	12.50
(ii) Trade Payables	11(b)		
Total Outstanding dues of Micro, Small and Medium Enterprise		6.90	5.44
Total Outstanding dues of creditors other than Micro, Small and Medium Enterprise		354.98	430.49
(iii) Other Financial Liabilities	13(b)	203.87	185.53
(b) Other Current Liabilities	14	5,910.65	4,873.65
(c) Provisions	15	19.46	16.63
		6,499.61	5,524.24
Total Liabilities		7,384.33	6,388.96
Total Equity and Liabilities		27,426.05	24,455.17

Significant Accounting Policies & Other Notes

1 & 24

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For SALARPURIA & PARTNERS

Chartered Accountants

Firm ICAI Reg. No.302113E

Nihar Kanjan Nayak

For and on behalf of the Board of Directors

Sukho Bajori

Pratibha Aggarwal

N. R. Nayak
Chartered Accountant
Membership No.-57076

Place : Kolkata Partner

Date : 31st July, 2020



Company Secretary

Directors

HINDUSTHAN UDYOG LTD**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020****CIN No.: L27120WB1947PLC015767**

₹ in Lakhs

Particulars	Notes	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
I. Revenue from Operations	16	1,249.09	1,652.51
II. Other Income	17	270.36	301.78
III. Total Revenue (I + II)		1,519.45	1,954.29
IV. Expenses:			
Cost of Materials Consumed	18	795.43	755.98
Excise Duty & GST		-	-
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	19	(132.62)	388.25
Employee Benefit Expenses	20	532.68	516.99
Finance Costs	21	43.67	140.47
Depreciation and Amortization Expense	22	97.73	111.29
Other Expenses	23	338.49	357.33
IV. Total Expenses		1,675.37	2,270.31
V. Profit/(Loss) before Tax & Exceptional Items and Tax (III - IV)		(155.92)	(316.02)
VI. Profit/(Loss) from Associate Companies		2,194.48	4,967.40
VII. Exceptional Item		-	-
VIII. Profit/(Loss) before Tax (V - VI)		2,038.56	4,651.38
IX. Tax Expense:			
1. Current Tax		-	-
2. Tax for earlier years (Net)		0.20	-
3. Deferred Tax		-	-
Net Current Tax (VIII)		0.20	-
X. Profit/(Loss) for the Period (VII- VIII)		2,038.37	4,651.38
XI. Other Comprehensive income for the period			
(A) (i) Item that will not be reclassified to Profit or Loss			
→ Changes in Fair Valuation of Equity Instrument		19.13	1.02
→ Remeasurement of Defined benefit Plans		(23.06)	(5.30)
Share of OCI of Associates		(72.33)	(281.87)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		13.41	(4.23)
(B) (i) Items that will be reclassified to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
XII. Total Comprehensive Income for the period (IX +X)		1,975.51	4,361.00
Earnings per Equity Share (for Continuing Operation):	24.7		
(1) Basic (in ₹)		28.40	64.81
(2) Diluted (in ₹)		28.40	64.81

Significant Accounting Policies & Other Notes

1&24

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

For SALARPURIA & PARTNERS

Chartered Accountants

Firm ICAI Reg. No.302113E

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant
Membership No.-57076

Place : Kolkata Partner

Date : 31st July 2020

For and on behalf of the Board of Directors

Srikanth Bora

Pratik Agarwal



Company Secretary

Directors

HINDUSTHAN UDYOG LTD

Statement of Consolidated Cash Flows for the year ended 31.03.2020

₹ in Lakhs

PARTICULARS	For the year ended 31.03.2020	For the year ended 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	2,038.56	4,651.38
Adjustment for :		
Depreciation & Amortisation	97.73	111.29
Profit from Associate Company	(2,194.48)	(4,967.40)
Dividend Received	-	-
Interest Expense	43.67	140.47
Interest Income	(50.20)	(58.54)
Provisions	16.13	16.50
Dividend Income	-	-
Profit on sale of Shares	-	(0.06)
(Profit)/Loss on Sale of Property, Plant and Equipment	(3.92)	-
Operating Profit before Working Capital Changes	(52.52)	(106.35)
Movements in Working Capital :		
Increase/(Decrease) in Trade Payables	(74.37)	(70.44)
Increase/(Decrease) in Other Current Liabilities	1,036.99	(105.36)
(Increase)/ Decrease in Inventories	(18.21)	363.18
(Increase)/ Decrease in Trade Receivables	213.03	154.83
Increase/ (Decrease) in Other Current Financial Liabilities	18.33	75.27
(Increase)/Decrease in Other Current Assets	(2,113.42)	437.17
(Increase)/Decrease in Other Non-Current Financial Assets	(9.24)	(14.27)
(Increase)/Decrease in Other Non-Current Assets	(0.11)	0.00
(Increase)/Decrease in Other Current Financial Assets	4.38	(14.47)
Cash generated from/(used in) Operations	(995.12)	719.57
Direct Taxes Paid (Net)	(13.29)	(28.82)
Net Cash from Operating Activities	(1,008.41)	690.75
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Property, Plant and Equipment	9.61	6.04
Interest Received	4.64	11.45
Dividend Received	289.62	154.47
(Purchase)/Sale of Investments (Net)	-	1.00
Purchase of Property, Plant and Equipment	(10.40)	(13.68)
Increase/Decrease in Bank Deposits	-	-
Net Cash from Investing Activities	293.48	159.28



HINDUSTHAN UDYOG LTD

Statement of Consolidated Cash Flows for the year ended 31.03.2020

₹ in Lakhs

PARTICULARS	For the year ended 31.03.2020	For the year ended 31.03.2019
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(0.73)	(92.10)
Repayment :		
Proceeds/(Repayment) of Long Term Borrowings	-	-
Proceeds/(Repayment) of Short Term Borrowings	(8.74)	(66.91)
Net Cash from Financing Activities	(9.47)	(159.00)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	(724.41)	691.02
Cash and Cash Equivalents at the beginning of the year	743.75	52.72
Cash and Cash Equivalents at end of the year	19.33	743.75

PARTICULARS	As At 31.03.2020	As At 31.03.2019
Cash & Cash Equivalents :		
Balances with Bank		
Current Account	9.29	729.40
Bank Book Overdraft	(3.72)	-
Cash on Hand	13.76	14.34
Total	19.33	743.75

Note :

- (a) Previous year's figures have been regrouped/recasted wherever necessary.
- (b) The above cash flow has been prepared under "Indirect Method" as per Ind AS 7, "Statement of Cash Flows", as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

Nihar Ranjan Nayak

N. R. Nayak
Chartered Accountant
Membership No.-57076
Place : Kolkata
Date : 31st July 2020
Partner

For and on behalf of the Board of Directors

Sriko Bajori, Rakhi Aggarwal
Meghansha

Company Secretary

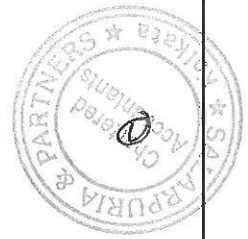
Directors



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statements As At 31.03.2020

STATEMENT OF CHANGES IN EQUITY	Note No.	RESERVES & SURPLUS						OTHER COMPREHENSIVE INCOME			Total Equity Attributable to Equity Holders of the Company
		Securities Premium	Revaluation Surplus	General Reserve	Special Capital Incentive	Capital Reserve	Retained Earnings	Fair Value Gain/(Loss) on Equity Instruments	Remeasurement of Defined Benefit Plans	Share of OCI of associates	
Balance as on 01.04.2018		138.41	48.45	121.62	30.00	3,908.28	8,431.88	440.21	(13.53)	(117.78)	12,987.54
Transfer to Retained Earning		-	-	-	-	-	-	-	-	-	-
Earlier adjusted from Revaluation Reserve		-	-	-	-	-	-	-	-	-	-
Profit for the year 2018-19		-	-	-	-	-	(316.01)	-	-	-	(316.01)
Profit from Associate Company		-	-	-	-	-	4,967.40	-	-	(281.87)	4,685.53
Rectification of Errors		-	-	-	-	-	-	-	-	-	-
Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-
Prior Period Errors		-	-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	(5.30)	-	(5.30)
Changes in Fair Value of Investment		-	-	-	-	-	-	1.02	-	-	1.02
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	(4.23)	-	-	(4.23)
Restated Balance at 31st March, 2019		138.41	48.45	121.62	30.00	3,908.28	13,083.26	437.00	(18.83)	(399.65)	17,348.54
Profit for the year 2019-20		-	-	-	-	-	(156.12)	-	-	-	(156.12)
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-	-	-
Profit from Associate Company		-	-	-	-	-	2,194.48	-	-	(72.33)	2,122.15
Adjusted during the year		-	-	-	-	-	-	-	-	-	-
Dividend Paid		-	-	-	-	-	-	-	-	-	-
Tax on Dividend		-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings		-	-	-	-	-	-	-	-	-	-
Remeasurement of Net Defined (Liability)/Asset		-	-	-	-	-	-	-	(23.06)	-	(23.06)
Changes in Fair Value of Investment		-	-	-	-	-	-	19.13	-	-	19.13
Tax Effect on Fair Value of Investment		-	-	-	-	-	-	13.41	-	-	13.41
Balance as at 31st March, 2020		138.41	48.45	121.62	30.00	3,908.28	15,121.63	469.54	(41.89)	(471.99)	19,324.05



NOTE 1 (A) : CORPORATE INFORMATION

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

NOTE 1 (B) : SIGNIFICANT ACCOUNTING POLICIES.

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

1) BASIS OF PREPARATION

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

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

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

The financial statements for the year ended 31st March, 2020 have been approved by the Board of Directors of the Company in their meeting held on 31st July, 2020.

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

Use of Estimates and Management Judgement

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



BASIS OF CONSOLIDATION

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

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

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

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

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

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



II) Revenue Recognition

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

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

III) Other Income:

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

IV) Property, Plant and Equipment

- a) Asset Class:
 - i) Freehold Land is carried at historical cost including cost that is directly attributable to the acquisition of the land.
 - ii) All other items of property, plant and equipment are stated at historical cost less accumulated depreciation/ amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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



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

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

Depreciation

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

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

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

V) Disposal of Assets

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

VI) Investment Property

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

VII) Foreign currency Transactions

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



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

VIII) Inventories

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

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

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

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

IX) Financial Instruments

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

Classification of Financial Assets

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

Financial assets at amortised cost and the effective interest method

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

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



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

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

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

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

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

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

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

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

A financial asset is held for trading if:

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

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

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



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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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



Financial Liabilities and equity instruments issued by the Company**Classification as debt or equity**

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

Equity instruments

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

Compound instruments

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

Financial Liabilities

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or



- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

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

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

Other Financial Liabilities

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

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

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

X) Trade Receivables

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

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

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

XI) Trade Payables

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

XII) Borrowings

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



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

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

XIII) Foreign Currency Transactions

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

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

XIV) Income Tax

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

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

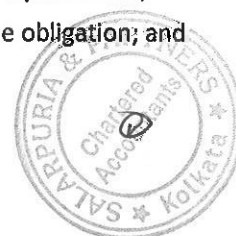
Current Income Tax

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

XIV) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if

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



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

Contingent Liabilities

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

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

XVI) Employees Benefit Expenses**a) Short Term Obligations**

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

b) Long Term Employee Benefit Obligations

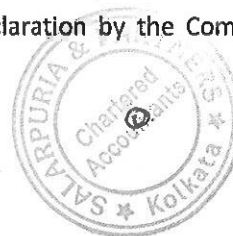
The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service. They are, therefore, measured at the present value of the expected future payments to be made in respect of services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

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

XVII) Dividend

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

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



XVIII) Earnings Per Share

Earnings Per Share is calculated by dividing the net profit or loss of the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings Per Share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



HINDUSTHAN UDYOG LTD
Notes to Consolidated Financial Statements As At 31.03.2020

NOTE 2: PROPERTY, PLANT & EQUIPMENT

Particulars	PROPERTY, PLANT & EQUIPMENT								Total	
	Freehold Land	Lease Hold Land **	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings		
Gross block										
Gross Carrying Amount As At 1st April, 2019	193.63	166.84	569.52	515.16	1.02	31.92	70.78	49.31	1,598.19	
Additions during the year	-	-	1.85	0.69	-	5.75	-	2.12	10.40	
Reclassification made during the year	-	-	-	-	-	-	-	-	-	
Disposals/deductions during the year	-	-	-	(9.32)	-	-	(43.33)	-	(52.65)	
Gross carrying amount as at 31st March, 2020	193.63	166.84	571.37	506.53	1.02	37.67	27.46	51.42	1,555.95	
Depreciation /Amortisation										
Accumulated depreciation/amortisation as at 1st April, 2019	-	4.38	87.50	175.82	0.87	27.97	41.62	22.12	360.29	
Depreciation/ amortisation for the year	-	1.46	27.68	51.48	0.09	1.55	9.04	6.42	97.73	
Reclassification made during the year	-	-	-	-	-	-	-	-	-	
Disposals/deductions during the year	-	-	-	(4.21)	-	-	(42.75)	-	(46.96)	
Accumulated depreciation as at 31st March, 2020	-	5.84	115.18	223.09	0.97	29.52	7.92	28.54	411.06	
Net carrying amount as at 31st March, 2020	193.63	161.00	456.18	283.44	0.06	8.15	19.54	22.89	1,144.89	

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 were as follows:

Particulars	PROPERTY, PLANT & EQUIPMENT								Total
	Freehold Land	Lease Hold Land **	Building & Structures	Plant & Equipments	Electronic Data Processing Machines	Electric Installations	Vehicles	Furniture & Fittings	
Gross block									
Gross Carrying Amount As At 1st April, 2018	193.63	166.84	569.52	515.74	0.84	31.92	70.78	43.35	1,592.64
Additions during the year	-	-	-	8.42	0.18	-	-	5.95	14.55
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	(9.00)	-	-	-	-	(9.00)
Gross carrying amount as at 31st March, 2019	193.63	166.84	569.52	515.16	1.02	31.92	70.78	49.31	1,598.19
Depreciation /Amortisation									
Opening accumulated depreciation/amortisation as at 1st April, 2018	-	2.92	55.14	122.92	0.72	22.35	28.43	15.47	251.96
Depreciation/ amortisation for the year	-	1.46	28.36	55.86	0.15	5.62	13.19	6.65	111.29
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	(2.96)	-	-	-	-	(2.96)
Accumulated depreciation as at 31st March, 2019	-	4.38	87.50	175.82	0.87	27.97	41.62	22.12	360.29
Net carrying amount as at 31st March, 2019	193.63	162.46	482.02	339.34	0.15	3.95	29.16	27.19	1,237.90
Net carrying amount as at 1st April, 2018	193.63	163.92	510.38	392.82	0.12	9.57	42.35	27.89	1,340.68

* Cost of Leasehold Land at Nagpur is amortized over the period of the Lease of 95 Years.
Provision for amortisation of Long term Leasehold land at Durgapur has not been made.

** Certain portions of the Factory premises have been given on lease.



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statements As At 31.03.2020

Note : 3 FINANCIAL ASSETS	No. of Shares	As At 31.03.2020	in Lakhs	
			No. of Shares	As At 31.03.2019
(A) INVESTMENTS (Measured at fair value through Other)				
(i) Investment in Equity Instrument (Quoted)				
1) Tea Time Ltd.	1,14,000	96.77	1,14,000	100.13
2) Phosphate Co. Ltd.	26,400	52.00	26,400	41.64
3) Northern Projects Ltd.	1,39,900	110.97	1,39,900	112.83
4) Asutosh Enterprises Ltd.	1,50,000	61.84	1,50,000	55.85
5) Neptune Exports Ltd.	2,30,500	141.01	2,30,500	138.25
6) Orient International Ltd.	1,65,000	47.12	1,65,000	47.22
7) Bengal Steel Industries Ltd.	3,45,000	63.03	3,45,000	69.03
Total (i)		572.76		564.95
(ii) Investment in Equity Instrument (Unquoted)				
1) Hindusthan Parsons Ltd.	5,00,000	59.72	5,00,000	57.30
2) H. S. M. International Pvt. Ltd.	1,52,500	7.26	1,52,500	7.46
3) Tamilnadu Alkaline Batteries Ltd.	3,00,000	3.00	3,00,000	3.00
4) Bengal Central Building Society Ltd.	10,000	0.52	10,000	0.56
5) Kabini Papers Ltd., in Liquidation	42,135	-	42,135	-
6) AKA Washeries India Pvt. Ltd.	2,000	0.02	2,000	0.02
7) Huwood Hindusthan Pvt. Ltd.	2,000	1.47	2,000	1.21
8) Macneill Electricals Ltd.	918	8.88	918	0.01
Total (ii)		80.87		69.55
(iii) Investment in Associate				
1) WPII Limited (39.54%)	38,61,659		38,61,659	
Carrying Value of the Group's Interest in Associate		15,233.33		10,715.24
Add: Current Year Profit/(Loss)		2,118.68		4,672.56
Less : Dividend		(289.62)		(154.47)
Total		17,062.38		15,233.33
2) Spaans Babcock India Ltd (25%)	25,000		25,000	
Carrying Value of the Group's Interest in Associate		29.82		16.85
Add: Current Year Profit/(Loss)		3.47		12.97
Total		33.30		29.82
(iv) Investment in Govt. Securities (NSC)				
		0.15		0.15
Total (i + ii +iii+iv)		17,749.45		15,897.80

	As at 31st March 2020		As at 31st March 2019	
	Cost	Market Value	Cost	Market Value
Aggregate value of Quoted Investments	3,88,84,835	11,418.23	3,88,84,835	32,705.54



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2020

(B) TRADE RECEIVABLES	As At 31.03.2020	in Lakhs	
			As At 31.03.2019
Current Portion	469.57		682.60
Non- Current Portion	-		-
	<u>469.57</u>		<u>682.60</u>
Considered Good - Secured			
Considered Good - Unsecured	469.57		682.60
Having Significant increase in Credit Risk	-		-
Credit Impaired	-		-
Doubtful	44.46		44.46
Total	<u>514.03</u>		<u>727.06</u>
Loss Allowance	<u>(44.46)</u>		<u>(44.46)</u>
Total Unsecured Trade Receivable	<u>469.57</u>		<u>682.60</u>

(C) OTHER NON CURRENT FINANCIAL ASSETS	As At 31.03.2020	As At	
			31.03.2019
Bank Deposits with Maturity more than 12 months	28.79		19.55
Total Non Current Other Non Financial Assets	<u>28.79</u>		<u>19.55</u>



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2020

<i>Note : 4 DEFERRED TAX (NET)</i>	As At 31.03.2020	in Lakhs	
			As At 31.03.2019
Deffered Tax Asset / (Liability)	(100.25)		(113.66)
Total	(100.25)		(113.66)

<i>Note : 5 OTHER NON CURRENT ASSETS</i>	As At 31.03.2020	As At	
			31.03.2019
Advances - Non Current	1.27		1.27
Mat Credit Entitlement	11.47		11.47
Security Deposits	78.68		78.57
Total	91.41		91.30

<i>Note : 6 INVENTORIES</i>	As At 31.03.2020	As At	
			31.03.2019
Raw Material	326.93		426.65
Work In Progress	452.05		319.43
Finished Goods	-		-
Tools & Implements	182.20		196.89
Total	961.18		942.97



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statements As At 31.03.2020

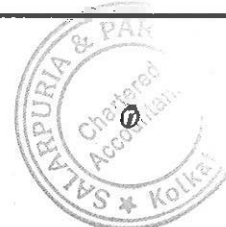
₹ in Lakhs

Note : 7(A) CASH AND CASH EQUIVALENT	As At 31.03.2020	As At 31.03.2019
Balances with Bank		
- In Current Account	9.29	729.40
- Bank Book Overdraft	(3.72)	-
Cash on Hand	13.76	14.34
Total	19.33	743.75

Note : 7(B) OTHER CURRENT FINANCIAL ASSETS	As At 31.03.2020	As At 31.03.2019
Accrued Interest	0.14	0.14
Bank Deposits with Maturity more than 3 months less than 12 months	39.16	43.54
Total	39.30	43.68

Note : 8 CURRENT TAX ASSET (NET)	As At 31.03.2020	As At 31.03.2019
Advance payment of Income Tax (Net)	149.88	136.80
Advance Sales Tax	2.57	2.57
Total	152.45	139.36

Note : 9 OTHER CURRENT ASSETS	As At 31.03.2020	As At 31.03.2019
Advances to Staff (Unsecured- Considered Good)	6.25	8.68
Advances to Others	6,745.01	4,631.03
Security Deposit	12.49	12.79
Prepaid Expenses	3.41	3.52
Other Receivables	2.51	0.24
Total	6,769.68	4,656.26



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statements As At 31.03.2020

₹ in Lakhs

Note : 10 (A) STATEMENT OF CHANGES IN EQUITY	As At 31.03.2020	As At 31.03.2019
(A) I Equity Share Capital		
Authorised Shares		
485,00,000 Equity Shares of ` 10/- each	4,850.00	4,850.00
60,00,000 10% Cumulative Redeemable Preference shares of ` 10/- each	600.00	600.00
	5,450.00	5,450.00
Issued, Subscribed & Paid-Up Shares		
71,76,725 Equity Shares of ` 10/- each, fully paid	717.67	717.67
Total	717.67	717.67

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

Equity Shares	Nos.	As At 31.03.2020	Nos.	As At 31.03.2019
At the beginning of the period	71,76,725	717.67	71,76,725	717.67
Issued during the period	-	-	-	-
Outstanding at the end of the period	71,76,725	717.67	71,76,725	717.67

b. Terms/Rights attached to Equity Shares

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

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

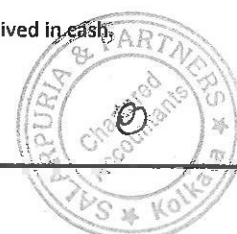
Particulars	Nos.	As at 31.03.2020 % Holding in the Class	Nos.	As at 31.03.2019 % Holding in the Class
Equity Shares of ` 10/- Each				
1. V.N. Enterprises Limited	16,59,625	23.13	16,59,625	23.13
2. Poonam Jhaver	10,00,000	13.93	10,00,000	13.93
3. Bengal Steel Industries Limited	5,98,600	8.34	5,98,600	8.34
4. Tea Time Limited	5,94,600	8.29	5,94,600	8.29
5. Neptune Exports Limited	5,90,400	8.23	5,90,400	8.23
6. Orient International Limited	5,46,850	7.62	5,46,850	7.62
7. Asutosh Enterprises Limited	4,57,500	6.37	4,57,500	6.37
8. Prakash Agarwal	5,16,200	7.19	5,16,200	7.19

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

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

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

No Shares has been bought back by the Company.



HINDUSTHAN UDYOG LTD

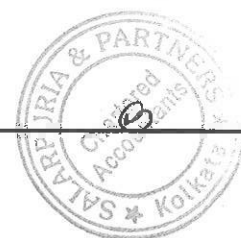
Notes to Consolidated Financial Statements As At 31.03.2020

₹ in Lakhs

Note: 10 (B) OTHER EQUITY	As At 31.03.2020	As At 31.03.2019
(a) Security Premium		
As per Last Balance Sheet	138.41	138.41
(b) Revaluation Surplus		
As per Last Balance Sheet	48.45	48.45
Less : Transferred to Retained Earnings	-	-
Closing Balance	48.45	48.45
(c) General Reserve		
As per Last Balance Sheet	121.62	121.62
(d) Special Capital Incentive		
As per Last Balance Sheet	30.00	30.00
(e) Capital Reserve		
As per Last Balance Sheet	3,908.28	3,908.28
(f) Retained Earnings		
As per Last Balance Sheet	13,083.26	8,431.88
Add: Transfer from Revaluation Surplus	-	-
Profit for the Year	2,038.37	4,651.38
Closing Balance	15,121.63	13,083.26
(g) Other Comprehensive Income		
As per Last Balance Sheet	18.52	308.90
Movement in OCI during the year	(62.86)	(290.38)
Closing Balance	(44.34)	18.52
Total	19,324.05	17,348.54

Nature and Purpose of Reserve

- a) **Securities Premium**
Securities Premium is the premium on issue of equity shares. The reserve will be utilised in accordance with the provision of the Act.
- b) **Revaluation Surplus**
Revaluation Reserve arises on account of revaluation of Land.
- c) **General reserve**
General reserves is part of retained earnings of company which are kept aside out of company's profits to meet future obligations.
- d) **Special Capital Incentive**
Special Capital arises on account of Business Comination.
- e) **Capital Reserve**
Catital Reserve arises on account of Business Combination.
- f) **Retained Earnings**
Retained Earnings is the present accumulated profits/(losses) earned the Company and remaining undistributed as on date.
- g) **FVTOCI Reserve**
The Company has elected to recognise changes in the fair value of investments in equity instruments along with remeasurement of Defined Benefit plans through other comprehensive income. This changes are accumulated within the FVTOCI Reserve.



HINDUSTHAN UDYOG LTD

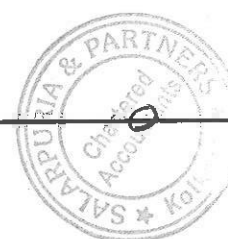
Notes to Consolidated Financial Statement As At 31.03.2020

₹ in Lakhs

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2020	As At 31.03.2019
(A) BORROWINGS		
Unsecured Preference Shares	514.76	472.15
Deferred Sales Tax Loan	1.17	1.17
Total	515.93	473.32

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2020	As At 31.03.2019
(B) TRADE PAYABLES		
CURRENT		
Trade Payables		
~ Total Outstanding Dues to Micro and Small Enterprises *	6.90	5.44
~ Total Outstanding dues of Creditors other than Micro Enterprise & Small Enterprises*	354.98	430.49
Total	361.89	435.93
NON-CURRENT		
Retention Payable to Contractor	-	-
Total	-	-

Particulars	As At 31.03.2020	As At 31.03.2019
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year (but within due date as per the MSMED Act).	6.90	5.44
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	NIL	NIL
the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of accounting year	0.33	0.52
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2020

₹ in Lakhs

NOTE 11 : FINANCIAL LIABILITIES (NON CURRENT)	As At 31.03.2020	As At 31.03.2019
(C) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	34.28	79.85
Total	34.28	79.85

Note : 12 LONG TERM PROVISIONS	As At 31.03.2020	As At 31.03.2019
Provision for Employee Benefits		
– Provision for Gratuity	198.14	164.26
– Provision for Leave Encashment	36.13	33.64
Total	234.26	197.90



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2020

₹ in Lakhs

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2020	As At 31.03.2019
(A) BORROWINGS		
Loans Repayable on demand (Unsecured)		
• From Banks		
– Cash Credit Facilities (Secured)	-	-
Inter Corporate Deposits (Unsecured)	-	-
Vehicle Loan		
(i) From Banks *	3.75	12.50
Total	3.75	12.50

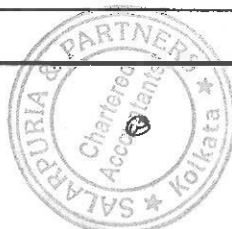
* The Loan is secured by hypothecation of Motor vehicles and is repayable in monthly instalments.

Rate of Interest :

Car Loan - 08.50% (Repayable in 5 Monthly Installments)

NOTE 13 : FINANCIAL LIABILITIES (CURRENT)	As At 31.03.2020	As At 31.03.2019
(B) OTHER FINANCIAL LIABILITIES		
Deferred Liability of Preference Shares	45.56	45.56
Interest on ICD Payable	90.88	90.88
Other Payables	2.75	2.75
Payable to Employees	64.68	46.35
Total	203.87	185.53

Note : 14 OTHER CURRENT LIABILITIES	As At 31.03.2020	As At 31.03.2019
Advance from Customers*	1,076.07	3.00
Deposits From Contractors	4.99	4.88
Statutory Dues Payable		
– Provident Fund	2.61	4.68
– Employee State Insurance Fund & Labour Welfare Fund	0.16	1.05
– Goods & Services Tax		
* C. G. S. T. Payable	0.91	7.55
* S. G. S. T. Payable	0.91	7.55
* I. G. S. T. Payable	2.02	20.50
– Tax Deducted At Source	3.36	5.56
– Professional Tax	1.48	0.87
Advance From Others *	4,818.14	4,818.02
Total	5,910.65	4,873.65
* Includes from WPIL Limited (Associate)	5,276.07	4,200.00



HINDUSTHAN UDYOG LTD

Notes to Consolidated Financial Statement As At 31.03.2020

₹ in Lakhs

Note : 15 SHORT TERM PROVISIONS	As At 31.03.2020	As At 31.03.2019
Provision for Employee Benefits		
– Provision for Gratuity	14.54	14.12
– Provison for Leave Encashment	4.92	2.51
Total	19.46	16.63



HINDUSTHAN UDYOG LTD

Notes to the Consolidated Financial Statement for the Year Ended 31.03.2020

₹ in Lakhs

Note : 16 REVENUE FROM OPERATIONS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A) Revenue from Sale of Products	1,121.19	1,628.03
Sub Total (A)	1,121.19	1,628.03
B) Other Operating Revenues		
Recovery towards Pattern charges	83.65	9.58
Sale of Export Licence	38.05	-
Duty Drawback	6.20	6.14
Scrap Sales	-	8.77
Sub Total (B)	127.90	24.49
Total (A + B)	1,249.09	1,652.51

Note : 17 OTHER INCOME	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
(a) <u>Interest Income</u>		
-- Of Preference Share amortised through FVTPL	45.56	47.09
(b) <u>Dividend Income</u>		
-- Dividends from quoted equity investments measured at fair value through OCI*	-	-
-- Dividends from Associate Company	-	-
(c) <u>Other Non Operating Income</u>		
-- Income From Security Deposits	-	3.03
-- Income From Fixed Deposit	4.64	8.42
-- Profit From Sale of Property Plant & Equipment (Net)	3.92	-
-- Rent	213.56	239.51
-- Profit on Foreign Exchange Fluctuation	-	3.17
-- Sundry Balances Written Back (Net)	0.14	0.50
-- Misc. Receipts	2.54	-
(d) <u>Other Gains & Losses</u>		
-- Profit on Sale of Shares measured at FVTPL	-	0.06
Total	270.36	301.78



HINDUSTHAN UDYOG LTD

Notes to the Consolidated Financial Statement for the Year Ended 31.03.2020

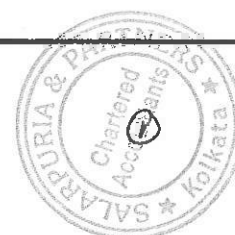
₹ in Lakhs

Note : 18 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Raw Material Consumed	361.97	331.54
Stores Consumed	207.55	227.23
Power & Fuel	225.91	197.21
Total	795.43	755.98

Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SALEABLE SCRAP	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Stock at the Beginning of the Year		
Finished Goods	-	-
Work-in-Progress	319.43	707.68
Saleable Scrap	-	-
Total	319.43	707.68
Stock at the End of the year		
Finished Goods	-	-
Work-in-Progress	452.05	319.43
Saleable Scrap	-	-
Total	452.05	319.43
Changes in Inventories of Finished Goods, Work In Progress and Saleable Scrap	(132.62)	388.25

Note : 20 EMPLOYEE BENEFIT EXPENSES	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Salary, Wages, Bonus & Allowances *	452.25	436.36
Contribution to Provident Fund, Gratuity, ESI & Other Fund	68.03	66.52
Staff Welfare Expenses	12.39	14.12
Total	532.68	516.99

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



HINDUSTHAN UDYOG LTD

Notes to the Consolidated Financial Statement for the Year Ended 31.03.2020

Note : 21 FINANCE COSTS	₹ in Lakhs	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest		
(i) Interest cost on Financial Liabilities measured at amortized cost		
– on borrowings from banks	0.73	92.10
– on MSME dues	0.33	0.52
– on preference shares calculated as per Effective Interest Method	42.61	47.86
Total	43.67	140.47

Note : 22 DEPRECIATION & AMORTISATION EXPENSE	For the Year Ended	
	31.03.2020	31.03.2019
Depreciation on Property, Plant & Equipment	97.73	111.29
Total	97.73	111.29



HINDUSTHAN UDYOG LTD

Notes to the Consolidated Financial Statement for the Year Ended 31.03.2020

₹ in Lakhs

Note : 23 OTHER EXPENSES	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Component Processing Expense	70.50	106.41
Selling & Distribution Expenses		
Freight & Transportation	24.14	28.06
Advertisement & Sales Promotion	0.49	0.22
Rates & Taxes	8.62	15.12
Repairs & Maintenance		
Repairs to Plant & Machinery	37.26	20.61
Repairs to Factory Building	5.95	-
Repairs to Others Assets	0.04	5.76
Travelling Expenses		
Inland Travelling	6.01	3.93
Foreign Travelling	-	3.17
Auditors' Remuneration		
- Audit Fees	2.75	1.75
- Tax Audit Fees	0.25	0.25
- Certification/Limited Review Fees	1.90	1.20
Commission, Discount & Rebates	-	19.61
Legal & Professional	10.47	8.06
Director Meeting Fees	0.27	0.20
Service Charges	23.81	32.45
Liquidated Damages	3.92	9.23
Electricity Charges	-	1.69
Factory Electric Charges	1.00	0.98
Rent	14.46	14.62
Factory Godown Rent	3.16	3.16
Bank Charges	1.32	4.46
Conveyance Charges	2.73	5.17
Vehicle Maintenance	9.84	13.37
Sundry Balances Written Off	-	28.68
Printing & Stationery	1.16	1.58
Postage, Telegram & Telephone	1.88	3.09
Insurance	3.15	5.13
Listing Fees	19.81	3.25
Loss on Foreign Exchange Fluctuation	0.24	-
Bad Debts	-	3.30
Donation & Subscription	0.85	1.84
Miscellaneous Expenses	82.49	11.00
Total	338.49	357.33



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note: 24 NOTES**24.1 Contingent Liabilities**

- a) Letters of Guarantee outstanding as at 31.03.2020 is ` 32.09 Lacs (Previous Year - ` 43.77 Lacs)
 b) Claim not acknowledged as debts: - Disputed demand for Sales Tax ` 131.32 Lacs (Previous Year - ` 131.32 Lacs) appealed against.
 c) VAT Case filled for the year 2007-08 of 0 62.70 lakhs

24.2 Related Party Disclosures:i) **Relationship****Key Managerial Personnel (KMP) & their Relatives**

- a) Mr. V.N. Agarwal Managing Director
 b) Mr. Prakash Agarwal Director - Son of Mr. V.N. Agarwal
 c) Mrs. Premlata Agarwal** Director - Wife of Mr. V.N. Agarwal
 d) Mrs. Ritu Agarwal * Wife of Mr. Prakash Agarwal
 e) Ms. Kiran Darulia Director
 f) Mr. Asim Kumar Ghosh Director

Enterprise Having Significant Influence

V.N. Enterprise Limited
 Macneill Electricals Limited (MEL)

* Resigned from post of Director with effect from 28.09.2018

** Resigned from post of Director with effect from 28.10.2019

ii) **Transactions with Related Parties**

₹ in Lakhs

	MEL	KMP
Rent Receipts	2.16	-
	(27.22)	-
Rent Paid	1.20	-
	(1.20)	-
Managerial Remuneration - Mr. V.N. Agarwal	-	30.00
	-	(30.00)
Directors Sitting Fees	-	0.27
	-	(0.20)

Name	Transactions	As At 31.03.2020	As At 31.03.2019
V.N. Enterprises Limited	Opening Balance	4,300.00	3,228.25
	Performance Deposit Given	2,010.25	1,438.01
	Avance Refunded	22.25	366.26
	Closing Balance	6,288.00	4,300.00
Macneill Electricals Limited	Opening Balance	-	1,045.00
	Advance Given	80.00	111.50
	Avance Refunded	-	1,156.50
	Closing Balance	80.00	-

* All receivables and payables are subject to confirmation.



24.3 Segment Reporting

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

Information about Secondary Segments - Geographical

₹ in Lakhs

PARTICULARS		
(i)	Revenue by Geographical Market	
	- India	911.36
	- Outside India	337.73
		<u>1,249.09</u>

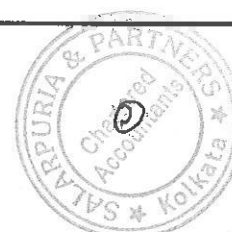
24.4 Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2020. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2020.

24.5 The company has received an advance of ₹ 4200.00 lakhs from WPIL Limited for acquisition of its Alloy and Stainless Steel Casting foundry unit in Nagpur. The necessary approval and formalities for the acquisition is pending no adjustment has been made in the financials.

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

₹ in Lakhs

Particulars		As At 31.03.2020	As At 31.03.2019
A.	Financial Assets		
I.	Measured at fair value through other comprehensive income (FVTOCI)		
	Investments	1,013.61	994.63
II.	Measured at amortised cost		
	Trade Receivables	469.57	682.60
	Cash & Cash Equivalents	19.33	743.75
B.	Financial Liabilities		
I.	Measured at amortised cost		
	Borrowings	519.68	485.82
	Trade Payables	361.89	435.93
	Other Financial Liabilities	238.15	265.39



HINDUSTHAN UDYOG LTD**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

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

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

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

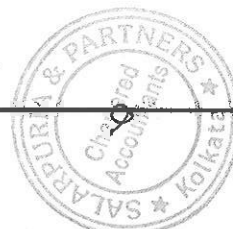
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	Carrying Value	₹ in Lakhs		
		Level 1	Level 2	Level 3
Measured at fair value through Other Comprehensive Income (FVTOCI)				
As at 31st March 2020				
Investments	426.05	-	-	1,013.61
As at 31st March 2019				
Investments	426.05	-	-	994.48
Measured at amortised cost for which fair value is disclosed				
As at 31st March 2020				
Deferred Sales Tax Loan	1.17	-	-	1.17
As at 31st March 2019				
Deferred Sales Tax Loan	1.17	-	-	1.17

24.7 No Preference Dividend is payable to Preference Shareholders in respect of aforesaid 10% Cumulative Redeemable Preference Shares as they have waived their right in respect of any Preference dividend from the date of allotment of these Shares till the date of their redemption and measured at amortised cost. These Preference Shares are due for redemption on 9th January, 2019 but have been extended for a period of 3 Years i.e, 9th January, 2022.

24.8 **Earnings Per Share**

Particulars	2019-20	2018-19
Earnings available for Equity Shareholder (₹ in lakhs)	2,038.37	4,651.38
Weighted Average Number of Equity Shares	7176725	7176725
Earnings Per Share (basic/diluted) Rs.	28.40	64.81



HINDUSTHAN UDYOG LTD

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- 24.9 The Board of Directors of the company, have approved a Scheme of Amalgamation\Merger at their meeting held on 21st March 2020 of the following Listed entities, i.e., a) Neptune Exports Limited, b)Northern Projects Limited, c)Tea Time Limited and d) Orient International Limited with the company with effect from 1st April 2019 the scheme is subject to approval of statutory authorities which is still pending.
- 24.10 The outbreak of COVID-19 globally and in India has caused significant disturbances and slow-down of economic activity. The Company's operations have also been impacted in the months of March 2020 and April 2020 due to temporary suspension of manufacturing facilities, sales and distribution following nationwide lockdown announced by the Government of India in view of COVID-19. However, post the permission for operations of certain activities by the Government of India in non containment zones, the Company has resumed operations at its manufacturing unit at Nagpur branch.
- In assessing the recoverability of carrying amount of Company's assets such as investments, loans and advances, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial results.
- Based on such evaluation, including current indicators of future economic conditions, the Company has concluded that the carrying amounts of the assets are recoverable. However, since the impact assessment of COVID-19 is a continuing process, the eventual impact may be different from the estimates made as of the date of approval of these results.



HINDUSTHAN UDYOG LTD

Notes to the Consolidated Financial Statements for the year ended 31.03.2020

24.11 Disclosures as required under Indian Accounting Standard 19 on "Employee Benefits"**A. Defined Benefit Plan**

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

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

PARTICULARS	₹ in Lakhs			
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
1. Change in the Defined Benefit Obligation				
- Defined Benefit Obligation as at the beginning	178.37	158.87	36.15	33.85
- Current Service Cost	10.00	9.08	2.48	2.15
- Interest Expense or Cost	13.02	12.05	2.64	2.57
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	(0.07)	-	(0.01)	-
change in financial assumptions	12.38	3.57	1.79	0.56
experience variance	10.74	1.73	(0.16)	(0.84)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Benefits paid	(11.79)	(6.93)	(1.84)	(2.14)
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
- Present Value of Obligation as at the end	212.67	178.37	41.05	36.15
2. Expenses recognised in the statement of Profit & Loss				
- Current Service Cost	10.00	9.08	2.48	2.15
- Interest Expense or Cost	13.02	12.05	2.64	2.57
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	-	-	(0.01)	-
change in financial assumptions	-	-	1.79	0.56
experience variance	-	-	(0.16)	(0.84)
- Past Service Cost	-	-	-	-
- Effect of change in foreign exchange rates	-	-	-	-
- Acquisitions Adjustment	-	-	-	-
- Effect of business combinations or disposals	-	-	-	-
Total	23.02	21.13	6.74	4.44
3. Other Comprehensive Income				
- Actuarial (gains) / losses arising from:				
change in demographic assumptions	(0.07)	-	-	-
change in financial assumptions	12.38	3.57	-	-
experience variance	10.74	1.73	-	-
Total	23.06	5.30	-	-
4. Actuarial Assumptions				
(a) Financial Assumptions				
Discount rate p.a	6.40%	7.30%	6.40%	7.30%
Salary growth rate p.a	5.00%	5.00%	5.00%	5.00%

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

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

Nina

1

Chartered Accountant

Place : Kolkata
Date : 31st July, 2020
Membership No.-57076
Partner

N. R. Majumdar

For and on behalf of the Board of Directors

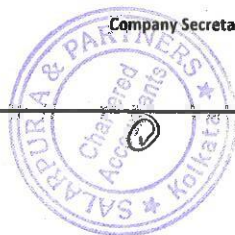
Sitika Bajor

Rakul Agar

Umesh Kumar

Company Secretary

Directors





Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072
Phone : 2237 5400 / 5401, 4014 5400 - 5410
website : www.salarpuriajajodia.com
e-mail : salarpuria.jajodia@rediffmail.com
office@salarpuriajajodia.com
Branches at New Delhi & Bangalore

Independent Auditor's Review Report on quarterly and year to date unaudited standalone financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

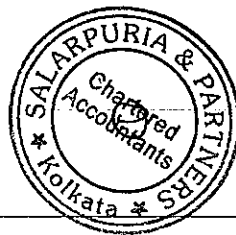
The Board of Directors
Hindusthan Udyog Limited
Trinity Plaza, 84/1A, Topsia Road(S)
Kolkata – 700 046.

1. We have reviewed the unaudited financial results of **Hindusthan Udyog Limited** ("the Company") for the quarter and nine months ended 31st December, 2020, which are included in the accompanying Statement of unaudited financial results for the quarter and nine months ended 31st December, 2020, the statements of profit and loss for the period ended on that date ("the Statement").
2. This statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes. This Statement, which is the responsibility of the Company's management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
4. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with applicable Ind AS and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Salarpuria & Partners
Chartered Accountants
(Firm ICAI Regd. No.302113E)

Nihar Ranjan Nayak


Chartered Accountant
Membership No.-57076
Partner



UDIN : 21057076AAAABT3888
Place : Kolkata
Date : 13.02.2021

HINDUSTHAN UDYOG LIMITED
CIN: L27120WB1947PLC015767
TRINITY PLAZA, 3rd FLOOR, 84/1A, TOPSIA ROAD (S), KOLKATA-700046
EMAIL - kkg@hul.net.in PHONE NO. - 40556800

Unaudited Standalone Financial Results for the Quarter and Nine Months Ended December 31, 2020

		(Rs in lacs except per share data)					
		STANDALONE					
		QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
SL.	PARTICULARS	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue						
	Gross Sales	366.32	204.44	172.94	604.75	766.08	1,249.09
	Other Operating Income	-	-	-	-	-	-
	a) Revenue from operations	366.32	204.44	172.94	604.75	766.08	1,249.09
	b) Other Income	77.83	357.53	86.48	500.38	554.29	559.99
	Total Revenue	444.15	561.97	259.42	1,105.13	1,320.37	1,809.08
2	Expenses						
	a) Cost of raw materials & components consumed/sold	275.12	204.68	230.90	512.45	641.59	795.43
	b) Change in inventories of finished goods, work-in-progress	94.33	(61.91)	(169.05)	31.11	(272.64)	(132.62)
	c) Employee benefits expense	96.94	164.78	139.77	363.32	387.06	532.68
	d) Finance costs	11.58	11.59	10.82	34.82	32.58	43.67
	e) Depreciation and amortisation expense	19.06	22.92	25.17	64.88	75.47	97.73
	f) Other expenses	79.99	65.84	74.68	180.75	199.33	338.49
3	Total Expenses	577.03	407.90	312.29	1,187.33	1,063.39	1,675.38
4	Profit before exceptional items & tax (1-3)	(132.88)	154.07	(52.87)	(82.20)	256.98	133.70
5	Exceptional Items	-	-	-	-	-	-
6	Profit / (Loss) before tax (4-5)	(132.88)	154.07	(52.87)	(82.20)	256.98	133.70
	Tax expense / (benefit)						
	a) Current tax including tax relating to earlier years	-	-	-	-	-	0.20
	b) Deferred tax charge / (credit)	-	-	-	-	-	-
7	Net tax expense / (benefit)	-	-	-	-	-	0.20
8	Net profit / (loss) after tax (6-7)	(132.88)	154.07	(52.87)	(82.20)	256.98	133.50
9	Other comprehensive income						
	Items not to be reclassified to profit or loss in subsequent periods :						
	Re-Measurement gains/(losses) on defined benefit plans	(5.77)	(5.77)	(1.25)	(17.30)	(3.76)	(23.06)
	Gains/(losses) on Fair Value of Equity Investments designated at OCI	-	(0.83)	-	(0.83)	19.04	19.13
	Income Tax relating to items that will not be reclassified to Profit or Loss	-	1.75	-	1.75	-	13.41
	Total Other Comprehensive Income	(5.77)	(4.85)	(1.25)	(16.37)	15.28	9.48
11	Total comprehensive income	(138.65)	149.22	(54.12)	(98.57)	272.26	142.98
12	Paid up equity share capital (Face value Rs. 10/- each)	717.67	717.67	717.67	717.67	717.67	717.67
13	Earnings per share						
	- Basic and Diluted (not annualised) (Rs.)	(1.85)	2.15	(0.74)	(1.15)	3.58	1.86
	Other Equity excluding Revaluation Reserve						2539.90



Notes:

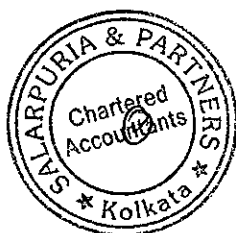
- 1) The figures for the quarter ended December 31, 2020 are balancing figures between the unaudited figures in respect of nine months ended December 31, 2020 and six months ended September 30, 2020. The figures for the corresponding quarter ended December 31, 2019 and last quarter ended September 30, 2020 as reported in these unaudited financial results have been approved by parents' board of directors and have been subject to review.
- 2) The above standalone financial results for the quarter ended December 31, 2020 have been reviewed by the Audit Committee at its meeting held on February 13, 2021 and approved by the Board of Directors at its meeting held on February 13, 2021.
- 3) As the Company's business activity falls within a single operating segment, comprising of engineering, manufacturing, installation and servicing of pumps of various sizes, no separate segment information is disclosed.
- 4) There were no exceptional items during the quarter ended 31st December, 2020.
- 5) Other Income includes dividend of Rs. 289.62 lakhs (Previous Period ended December 31, 2019 : Rs. 289.62 lakhs) from one associate for the period ended December 31, 2020
- 6) The Board of Directors of the company, have approved a Scheme of Amalgamation/Merger at their meeting held on 21st March 2020 of the following Listed entities, i.e., a) Neptune Exports Limited, b) Northern Projects Limited, c) Tea Time Limited and d) Orient International Limited with the company with effect from 1st April 2019, the scheme is subject to approval of statutory authorities which is still pending.
- 7) Previous period / year figures have been regrouped wherever necessary to conform to the current period's presentation.
- 8) The outbreak of COVID-19 globally and in India has caused significant disturbances and slow-down of economic activity. The Company's operations have also been impacted in the months of March 2020 and April 2020 due to temporary suspension of manufacturing facilities, sales and distribution following nationwide lockdown announced by the Government of India in view of COVID-19. However, post the permission for operations of certain activities by the Government of India in non containment zones, the Company has resumed operations at its manufacturing unit at Nagpur branch.
In assessing the recoverability of carrying amount of Company's assets such as investments, loans and advances, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial results.
Based on such evaluation, including current indicators of future economic conditions, the Company has concluded that the carrying amounts of the assets are recoverable. However, since the impact assessment of COVID-19 is a continuing process, the eventual impact may be different from the estimates made as of the date of approval of these results.

Place: Kolkata
Date: 13.02.2021



For and on behalf of Board of Directors

Managing Director





Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072
Phone : 2237 5400 / 5401, 4014 5400 - 5410
website : www.salarpuriajajodia.com
e-mail : salarpuria.jajodia@rediffmail.com
office@salarpuriajajodia.com
Branches at New Delhi & Bangalore

Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors,
Hindusthan Udyog Limited
Trinity Plaza, 3rd Floor,
84/1A Topsia Road (South),
Kolkata 700-046

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Hindusthan Udyog Limited** ("the Parent") and its share of the net profit after tax and total comprehensive income of its associates for the quarter and nine months ended December 31, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
Hindusthan Udyog Limited	Parent
Spaans Babcock India Limited	Associate
WPIL Limited	Associate





Salarpuria & Partners

CHARTERED ACCOUNTANTS

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

Phone : 2237 5400 / 5401, 4014 5400 - 5410

website : www.salarpuriajajodia.com

e-mail : salarpuria.jajodia@rediffmail.com

office@salarpuriajajodia.com

Branches at New Delhi & Bangalore

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated unaudited financial results also includes the Parent Company's share of net loss after tax of ₹ 1.18 Lakhs for the nine months ended 31st December, 2020 and ₹ 0.4 Lakhs for the quarter ended 31st December, 2020, as considered in the consolidated unaudited financial results, in respect of one associate (Spaans Babcock India Limited), based on its interim financial statement which has not been reviewed by their auditor. According to the information and explanations given to us by the Management, this interim financial statement is not material to the Parent Company

Our conclusion on the Statement is not modified in respect of the above matter.

For Salarpuria & Partners
Chartered Accountants
(Firm ICAI Regd. No.302113E)

Nihar Ranjan Nayak


Chartered Accountant
Membership No.-57076
Partner



UDIN : 21057076AAAABU6486

Place: Kolkata

Date: 13.02.2021

HINDUSTHAN UDYOG LIMITED
CIN: L27120WB1947PLC015767
TRINITY PLAZA, 3rd FLOOR, 84/1A, TOPSIA ROAD (S), KOLKATA-700046
EMAIL - kkg@hul.net.in PHONE NO. - 40556800

Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2020

		(Rs in lacs except per share data)					
		CONSOLIDATED					
SL.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue						
	Gross Sales	366.32	204.44	172.94	604.75	766.08	1,249.09
	Other Operating Income	-	-	-	-	-	-
	a) Revenue from operations	366.32	204.44	172.94	604.75	766.08	1,249.09
	b) Other Income	77.82	67.91	86.48	210.75	264.66	270.36
	Total Revenue	444.14	272.35	259.42	815.50	1,030.74	1,519.45
2	Expenses						
	a) Cost of raw materials & components consumed/sold	275.12	204.68	230.90	512.45	641.59	795.43
	b) Change in inventories of finished goods, work-in-progress						
		94.33	(61.91)	(169.05)	31.11	(272.64)	(132.62)
	c) Employee benefits expense	96.94	164.78	139.77	363.32	387.06	532.68
	d) Finance costs	11.58	11.59	10.82	34.82	32.58	43.67
	e) Depreciation and amortisation expense	19.06	22.92	25.17	64.88	75.47	97.73
	f) Other expenses	79.99	65.84	74.68	180.75	199.33	338.49
3	Total Expenses	577.02	407.90	312.29	1,187.33	1,063.39	1,675.38
4	Profit before exceptional items & tax (1-3)	(132.87)	(135.55)	(52.86)	(371.82)	(32.65)	(155.93)
5	Profit from Associated Company after Tax	1,136.58	446.83	419.64	1,843.49	1,237.15	2,194.48
6	Exceptional Items	-	-	-	-	-	-
7	Profit / (Loss) before tax (4+5-6)	1,003.71	311.28	366.78	1,471.67	1,204.50	2,038.55
	Tax expense / (benefit)						
	a) Current tax including tax relating to earlier years	-	-	-	-	-	0.20
	b) Deferred tax charge / (credit)	-	-	-	-	-	-
8	Net tax expense / (benefit)	-	-	-	-	-	0.20
9	Net profit / (loss) after tax (7-8)	1,003.71	311.28	366.78	1,471.67	1,204.50	2,038.35
10	Other comprehensive income						
	Items not to be reclassified to profit or loss in subsequent periods :						
	Re-Measurement gains/(losses) on defined benefit plans	(5.77)	(5.77)	(1.25)	(17.30)	(3.76)	(23.06)
	Gains/(losses) on Fair Value of Equity Investments designated at OCI	-	(0.83)	-	(0.83)	19.04	19.13
	Share of OCI of Associates	311.04	109.27	100.75	529.72	96.90	(72.33)
	Income Tax relating to items that will not be reclassified to Profit or Loss	-	1.75	-	1.75	-	13.41
	Total Other Comprehensive Income	305.27	104.42	99.50	513.34	112.18	(62.85)
11	Total comprehensive income	1,308.98	415.70	466.28	1,985.01	1,316.68	1,975.50
12	Paid up equity share capital (Face value Rs. 10/- each)	717.67	717.67	717.67	717.67	717.67	717.67
13	Earnings per share						
	- Basic and Diluted (not annualised) (Rs.)	13.99	4.34	5.11	20.51	16.78	28.40
	Reserves excluding Revaluation Reserve						19275.59



Notes:

- 1) The Consolidated figures for the quarter ended December 31, 2020 are balancing figures between the unaudited figures in respect of nine months ended December 31, 2020 and six months ended September 30, 2020. The Consolidated figures for the corresponding quarter ended December 31, 2019 and last quarter ended September 30, 2020 as reported in these unaudited consolidated financial results have been approved by parents' board of directors and have been subject to review.
- 2) The above Consolidated financial results for the quarter ended December 31, 2020 have been reviewed by the Audit Committee at its meeting held on February 13, 2021 and approved by the Board of Directors at its meeting held on February 13, 2021.
- 3) As the Company's business activity falls within a single operating segment, comprising of engineering, manufacturing, installation and servicing of pumps of various sizes, no separate segment information is disclosed.
- 4) These consolidated unaudited financial results includes unaudited financial results and other unaudited financial information in respect of one associate which have not been reviewed by its auditor and whose financial result/financial information reflect total net loss of Rs. 1.18 lacs for the period ended December 31, 2020 as considered in unaudited financial result.
- 5) There were no exceptional items during the quarter ended 31st December, 2020.
- 6) Previous period / year figures have been regrouped wherever necessary to conform to the current period's presentation.
- 7) The Board of Directors of the company, have approved a Scheme of Amalgamation/Merger at their meeting held on 21st March 2020 of the following Listed entities, i.e., a) Neptune Exports Limited, b) Northern Projects Limited, c) Tea Time Limited and d) Orient International Limited with the company with effect from 1st April 2019, the scheme is subject to approval of statutory authorities which is still pending.
- 8) The outbreak of COVID-19 globally and in India has caused significant disturbances and slow-down of economic activity. The Company's operations have also been impacted in the months of March 2020 and April 2020 due to temporary suspension of manufacturing facilities, sales and distribution following nationwide lockdown announced by the Government of India in view of COVID-19. However, post the permission for operations of certain activities by the Government of India in non containment zones, the Company has resumed operations at its manufacturing unit at Nagpur branch.
In assessing the recoverability of carrying amount of Company's assets such as investments, loans and advances, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial results.
Based on such evaluation, including current indicators of future economic conditions, the Company has concluded that the carrying amounts of the assets are recoverable. However, since the impact assessment of COVID-19 is a continuing process, the eventual impact may be different from the estimates made as of the date of approval of these results.

Place: Kolkata
Date: 13.02.2021



For and on behalf of Board of Directors

Managing Director

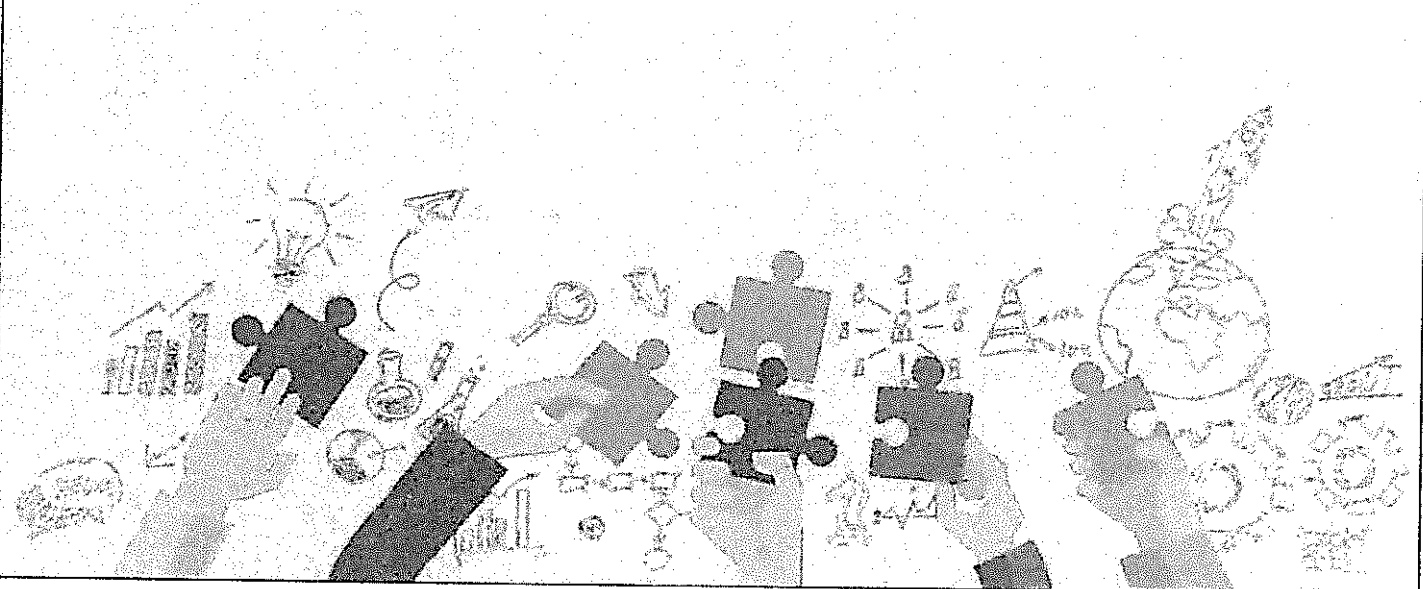




REPORT ON SHARE EXCHANGE RATIO
FOR AMALGAMATION OF

TEA TIME LIMITED ("TRANSFEROR COMPANY 1")
AND
ORIENT INTERNATIONAL LIMITED ("TRANSFEROR COMPANY 2")
AND
NEPTUNE EXPORTS LIMITED ("TRANSFEROR COMPANY 3")
AND
NORTHERN PROJECTS LIMITED ("TRANSFEROR COMPANY 4")
WITH
HINDUSTHAN UDYOG LIMITED ("TRANSFeree COMPANY")

VIKASH GOEL
REGISTERED VALUERS
REGN NO. IBBI/RV/01/2018/10339



VIKASH GOEL

CA, CFA, MS Finance, MBA, IIM-C

Registered Valuer

Regn. No. IBBI/RV/01/2018/10339

Diamond City North, 11-5C
68 Jessore Road, Kolkata 700055

www.investmentvaluation.in

The Board of Directors
Hindusthan Udyog Limited,
"Trinity Plaza", 3rd Floor 84/1A,
Topsia Road (South)
Kolkata WB 700046 IN

Sub: Report on Fair valuation of equity shares leading to Swap Ratio for the proposed amalgamation.

We have been engaged by the management of Hindusthan Udyog Limited ("The Transferee Company" or "HUL") for the purpose of assessing the share exchange ratio between the transferee company Hindusthan Udyog Limited and the transferor companies viz Tea Time Limited ("TTL" or "Transferor Company 1"), Orient International Limited ("OIL" or "Transferor Company 2"), Neptune Exports Limited ("NEL" or "Transferor Company 3"), and Northern Projects Limited ("NPL" or "Transferor Company 4") jointly ("the transferor companies").

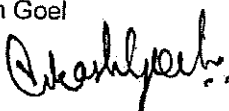
It has been proposed to amalgamate the business of TTL, OIL, NEL, and NPL with HUL subject to shareholder's consents, statutory and other approvals. The proposed Amalgamation will be on going concern basis and by way of offer of shares of HUL to the shareholders of TTL, OIL, NEL, and NPL, in the ratio of their present equity holdings ("the Transaction"). For this purpose, an exercise has been undertaken to estimate the fair market value of the equity shares of HUL, TTL, OIL, NEL, and NPL and to decide the number of shares to be issued by HUL to the shareholders of the transferor companies.

We hereby confirm that we have arrived at the swap ratios for each Transferor Company to be issued by HUL for every share held by the shareholders of each Transferor Company as at March 31st, 2019.

- a. 100 equity shares of HUL of INR 10 each fully paid up for every 807 equity shares of TTL of INR 10 each fully paid up
- b. 100 equity shares of HUL of INR 10 each fully paid up for every 2555 equity shares of OIL of INR 10 each fully paid up
- c. 100 equity shares of HUL of INR 10 each fully paid up for every 936 equity shares of NEL of INR 10 each fully paid up
- d. 100 equity shares of HUL of INR 10 each fully paid up for every 837 equity shares of NPL of INR 10 each fully paid up
- e. Fractional entitlements, in respect of Equity Shares of Transferee Company to be issued to the shareholders of Transferor Companies shall be rounded off to the nearest integer.

The detailed valuation report including computation of fair value of the equity shares of the Companies has been attached in subsequent pages.

Regards
Vikash Goel



(Regd. No.: IBBI/RV/01/2018/10339)
Date: 20-Mar-2020

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Purpose

The Board of the Transferor Companies and the Transferee Company are of the opinion that the proposed arrangement between the Transferor Companies with the Transferee Company will be for the benefit of all the companies.

- a) The amalgamation will enable pooling of resource of the companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost and operational efficiencies which would be beneficial for all stakeholders.
- b) The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Transferee Company and enable it to withstand with the growing competition in the market scenario.
- c) The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- d) If the proposed amalgamation comes into effect then it will strengthen the credibility of the Transferee Company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and the Transferor Companies.

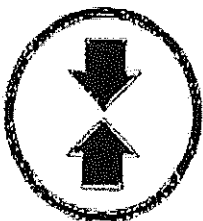
The proposed amalgamation will be on going concern basis and by way of offer of shares of HUL to the shareholders of TTL, OIL, NEL, and NPL in the ratio of their present equity holdings. For this purpose, an exercise has been undertaken to estimate the fair market value of the equity shares of the Transferee & the Transferor Companies and to decide the number of shares to be issued by HUL to the shareholders of TTL, OIL, NEL, and NPL. Accordingly, the Board of HUL has appointed us to value the shares of the transferor companies and the transferee company to arrive at the Share Exchange Ratio. The valuation of shares is done on the basis of internationally accepted pricing methodology on arm's length basis.

Key dates

Appointment Date: We have been appointed by the management vide letter dated 4th March, 2020

Valuation date: The valuation exercise has been performed based on the information available to us as of 31ST March 2019. The share exchange ratio based on fair value should be considered to the value as on this date.

Date of report: Our valuation report has been submitted as of 20th March, 2020.



About the Valuer



Vikash Goel (the "Valuer"), is Registered Valuer having Registration No. IBBI/RV/01/2018/10339. The Valuer is registered with the Insolvency and Bankruptcy Board of India to undertake the Valuation of Securities and Financial Assets of the Companies.

Vikash is a Chartered Accountant (Fellow member of ICAI), CFA (ICFAI) and holds MS Finance and MBA in HR. He is also an alumnus of St Xavier's College, Kolkata and hails from Indian Institute of Management Calcutta (IIM-C). Vikash has extensive experience of over 11 years spanning across Industry and Consulting and has worked with companies like PwC, EY, ICA and Zacks Research in India and Canada.

Vikash has conducted valuation across a variety of spectrum including but not limited to Angel fund raising, Private equity exit, Private Placement, Valuation of shares under Income Tax, Investment advisory around valuation of shares, mutual funds, hedge funds and derivatives and has been exposed to global valuation and business modelling practices for companies.

Disclosure of valuer interest or conflict

We hereby confirm that the valuer is suitably qualified and authorized to practice as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer accepts instructions only from the appointing authority or eligible instructing party with respect to the valuation engagement.

We have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value reported herein.

Appointing Authority

I, Vikash Goel, Registered Valuer with IBBI (Regn Number IBBI/RV/01/2018/10339) have been appointed by the Management of HUL to arrive at the share exchange ratio between HUL, TTL, OIL, NEL, and NPL. This appointment is based under rules prescribed by The Companies Act, 2013.

Inspections and Investigations

The Valuation is being done as on the Valuation Date considering the information and documents produced before us for the purpose of ascertaining the share exchange ratio. We have relied on accuracy and completeness of all the information and explanations provided by the management. We have not carried out any due diligence or audit or validation to establish its accuracy or sufficiency. We have received representations from the management and have accordingly assessed the fair value. We believe that given the nature of the valuation and the underlying reports made available to us, it is plausible to carry out such valuation.



Sources of Information

In connections with the preparations of this Valuation Report, we have received the following information from the management of the Companies.

- Brief received from the management about the company's background.
- Audited Financial Statement as on 31st March 2019 & 31st March 2018 of HUL, TTL, OIL, NEL and NPL.
- Details of state of affairs as represented by the management as on the valuation date.
- Interviews and discussions with the management of the Companies to augment our knowledge of the operations of the Companies.
- Independent valuation reports for property valuation where applicable.
- Information and documents as provided by the Companies for the purpose of this engagement.
- We have also accessed public documents as available from external sources such as mca.gov.in to better understand and assess the value of the business.
- Market / industry information.

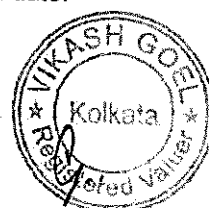
We have also obtained explanations and information considered reasonably necessary for our exercise from the executives and representatives of the Companies. The Companies have been provided with the opportunity to review the draft Valuation Report (excluding the recommend swap ratio) for this engagement to make sure that factual inaccuracies are avoided in our final Valuation Report.

Caveats, limitations and disclaimers

- **Specific Purpose:** Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose. Neither this report nor its content may be used for any other purpose without our prior written consent.

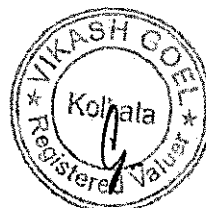
This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion.

- **No audit or certification:** Our work does not constitute an audit or certification of the historical financial statements. We cannot and do not express an opinion on the accuracy of any financial information referred to in this report. We have relied on the assumptions made by the management of the company. These assumptions require exercise of judgement and are subject to uncertainties.
- **No Advice on the transaction:** Our Valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability, legality or otherwise of entering into the proposed transaction.
- **Valuation date:** The valuation contained herein is not intended to represent at any time other than the date that is specifically stated in this report. We have no responsibility to update this report for events and circumstances occurring after the valuation date.



- Reliance on information provided:** In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Management through broad inquiry, however we have not carried out a due diligence or audit procedures for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. Through the above evaluation, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report.

We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. The terms of our engagement were such that we were entitled to rely upon the information provided by the Management without detailed inquiry. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. The Management has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by the Management and their impact on the present exercise.
- Actual results may differ:** The assumptions around future projections used in the preparation of this report, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever we have not received detailed information from the management, we have used our assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated and this may materially affect our result of value. Hence, any changes in the projection or non-achieving of the projected financials will affect our valuation significantly.
- Questions or appearances:** Our engagement is limited to preparing the report to be submitted to the management. We shall not be liable to provide any evidence for any matters stated in the report nor shall we be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report.
- Complete report:** This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever.
- Fees:** The fee for our valuation analysis and the Report is not contingent upon the results reported
- Disclaimer of liability:** Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report.
- Our Accountability:** We owe responsibility to only the management that has retained us and nobody else. We do not accept any liability to any third party – including the shareholders of the company - in relation to this valuation report. In any case, our liability to the management or any third party is limited to be not more than 50% of the amount of the fee received by us for this engagement.



Background Information about the Companies

Hindusthan Udyog Limited ("HUL")

CIN L27120WB1947PLC015767

Date of Incorporation 03/09/1947

Registered Address Trinity Plaza, 3rd Floor 84/1A, Topsia Road (South) Kolkata WB 700046
IN
<https://www.hul.net.in/>

Listing status Listed (BSE, CSE)
(ZHINUDYP | 513039 | INE582K01018)

Directors / Signatories
Prakash Agarwal [DIN: 00249468]
Vishwa Nath Agarwal [DIN: 00408731]
Asim Kumar Ghosh [DIN: 01424368]
Kiran Darulia [DIN: 08240886]
Shikha Bajaj (Company Secretary) [PAN: AQQPB2863G]

Authorised Share Capital INR 54,50,00,000

Paid up Share Capital INR 7,17,67,000

Source: mca.gov.in 20-Mar-2020

Shareholding Pattern:

SL.	SHAREHOLDER CATEGORY	SHARE NOS.	%
1.	Promoter & Promoter Group	53,79,910	74.96
2.	Public	17,96,815	25.04
	TOTAL	71,76,725	100.00

HINDUSTHAN UDYOG LIMITED (HUL) was originally incorporated on 3rd September, 1947 as Hindusthan Sheet & Metal Company Limited and subsequently the name was changed to Hindusthan Sheet Metal Limited with effect from 7th October, 1987. The Company was incorporated with the main objective of carrying on the business of Steel Fabrication, manufacture and marketing of Material Handling Equipments specially Conveyor Systems, Idler & Roller etc.

Mr. V.N. Agarwal, the present Promoter had taken over the Management of the Company from erstwhile Promoters and became the Director on 1st November, 1972 by acquiring majority stake in the Share Capital of the Company. The name of the Company was changed to Hindusthan Udyog Limited with effect from 1st May, 1995.

As of the date of the valuation report, the Bombay Stock Exchange (BSE) Website showed that the shares were suspended for trading on BSE. However, Management representation revealed that suspension of shares of HUL have been removed as it has received in-principle approval of BSE for revocation on 28th February, 2020.



Tea Time Limited ("TTL")

CIN L01132WB1979PLC032246

Date of Incorporation 18/09/1979

Registered Address "Trinity Plaza", 3rd Floor, 84/1a, Topsia Road (South), Kolkata WB 700046 IN

Listing status Listed
(TEATIME | 512011 | INE237U01018)

Directors / Signatories
Krishna Kumar Ganeriwala [DIN: 00408722]
Vishwa Nath Agarwal [DIN: 00408731]
Prem Lata Agarwal [DIN: 00752110]
Asim Kumar Ghosh [DIN: 01424368]
Ankita Agarwal, Company Secretary [PAN: BBVPA5161R]

Authorised Share Capital INR 3,00,00,000

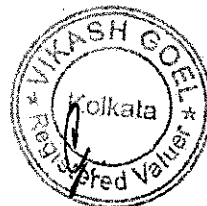
Paid - Up Share Capital INR 2,90,39,190

Source: mca.gov.in 20-Mar-2020

Shareholding Pattern:

SL.	SHAREHOLDER CATEGORY	SHARE NOS.	%
1.	Promoter & Promoter Group	21,76,400	74.95
2.	Public	7,27,519	25.05
	TOTAL	29,03,919	100.00

Tea Time Ltd was incorporated on September 18, 1979. The Company is engaged in the business of exporting tea. However, the said business is presently under suspension.



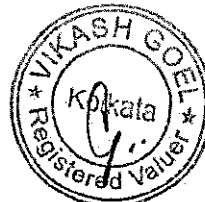
Orient International Limited ("OIL")

CIN	L27310WB1981PLC034139		
Date of Incorporation	22/09/1981		
Registered Address	"Trinity Plaza", 3rd Floor, 84/1A, Topsia Road (South), Kolkata WB 700046 IN		
Listing status	Listed		
Directors / Signatories	Krishna Kumar Ganeriwala	[DIN: 00408722]	
	Prem Lata Agarwal	[DIN: 00752110]	
	Asim Kumar Ghosh	[DIN: 01424368]	
	Narayan Baheti (Company Secretary)	[PAN: CEJPB7661F]	
Authorised Share Capital	INR 2,20,00,000		
Paid up Share Capital	INR 2,20,00,000		
Source: mca.gov.in 20-Mar-2020			

Shareholding Pattern:

SL.	SHAREHOLDER CATEGORY	SHARE NOS.	%
1.	Promoter & Promoter Group	14,38,830	65.40
2.	Public	7,61,170	34.60
	TOTAL	22,00,000	100.00

Orient International Ltd was incorporated in 1981. The company was engaged in the business of exporting tea.



Neptune Exports Limited ("NEL")

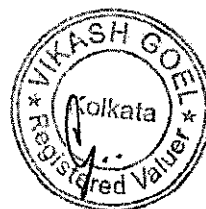
CIN	L51909WB1982PLC034494		
Date of Incorporation	29/01/1982		
Registered Address	"Trinity Plaza", 3rd Floor, 84/1a, Topsia Road (South), Kolkata WB 700046 IN		
	https://www.neptuneexports.co.in		
Listing status	Listed (NEPTEXP 512522 INE066X01015)		
Directors / Signatories	Krishna Kumar Ganeriwala	[DIN: 00408722]	
	Vishwa Nath Agarwal	[DIN: 00408731]	
	Ram Krishan Agarwal	[DIN: 00742196]	
	Prem Lata Agarwal	[DIN: 00752110]	
	Asim Kumar Ghosh	[DIN: 01424368]	
	Rashmi Singh Yadav, Company Secretary	[PAN: APEPY6545H]	
Authorised Share Capital	INR 3,00,00,000		
Paid up Share Capital	INR 3,00,00,000		

Source: mca.gov.in 20-Mar-2020

Shareholding Pattern:

SL.	SHAREHOLDER CATEGORY	SHARE NOS.	%
1.	Promoter & Promoter Group	22,49,000	74.97
2.	Public	7,51,000	25.03
	TOTAL	30,00,000	100.00

NEPTUNE EXPORTS LIMITED was incorporated on January 29, 1982. The Company is engaged in the business of exporting tea. However, the said business is presently under suspension.



Northern Projects Limited ("NPL")

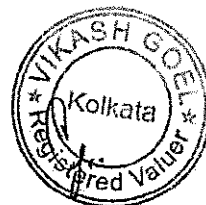
CIN	L45400WB1983PLC035987		
Date of Incorporation	04/03/1983		
Registered Address	"Trinity Plaza", 3rd Floor, 84/1a, Topsia Road (South), Kolkata WB 700046 IN https://www.northernproj.co.in/		
Listing status	Listed (NORTHPR 508924 INE01CZ01010)		
Directors / Signatories	Vishwa Nath Agrawal	[DIN: 00408731]	
	Prem Lata Agarwal	[DIN: 00752110]	
	Gopal Krishna Agarwal	[DIN: 00752110]	
	Asim Kumar Ghosh	[DIN: 01424368]	
	Ranu Dey Talukdar, Company Secretary	[PAN: AJIPD6401B]	
Authorised Share Capital	INR 2,25,00,000		
Paid up Share Capital	INR 2,20,50,000		

Source: mca.gov.in 20-Mar-2020

Shareholding Pattern:

SL.	SHAREHOLDER CATEGORY	SHARE NOS.	%
1.	Promoter & Promoter Group	16,53,030	74.97
2.	Public	5,51,970	25.03
	TOTAL	22,05,000	100.00

NORTHERN PROJECTS LIMITED was incorporated on March 4, 1983. The Company is engaged in operations relating to Investment and Finance activities and is registered with RBI as a NBFC for the said purpose.



Valuation

Approach and methodology

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

Valuation as per International Valuation Standards

As per International Valuation Standards (IVS), "Valuers are not required to use more than one method for the valuation of an asset, particularly when the valuer has a high degree of confidence in the accuracy and reliability of a single method, given the facts and circumstances of the valuation engagement. However, valuers should consider the use of multiple approaches and methods and more than one valuation approach or method should be considered and may be used to arrive at an indication of value, particularly when there are insufficient factual or observable inputs for a single method to produce a reliable conclusion."

IVS 105 – Valuation Approaches and Bases describes three main approaches to Valuation such as:

1. Market Approach
2. Income Approach
3. Cost Approach

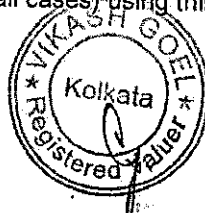
IVS 105 states that "Although no one approach or method is applicable in all circumstances, price information from an active market is generally considered to be the strongest evidence of value. Some bases of value may prohibit a valuer from making subjective adjustments to price information from an active market. Price information from an inactive market may still be good evidence of value, but subjective adjustments may be needed."

While we have considered the price inputs for valuation of the companies, since they are listed, but shares of the companies are not frequently traded, we have applied other methods of valuation as well.

Market Approach

Stock exchange quotations reflect the value of shares or the value of investment in a quoted stock. Value of equity shares under this method is computed based on historical average of market price quotations of company's shares on stock exchanges. HUL, TTL, OIL, NEL and NPL are listed on stock exchanges. Therefore, we have considered this method for valuation of the Companies.

However, we observed that the shares of the companies are not frequently traded, hence there is not enough data available for the valuation of these companies based on market information. Accordingly, we have not assigned any weight to the values arrived at (Zero in all cases) using this method.



Income Approach

Value of the business using Income approach is estimated based on the earning capacity of the entity or net present value of cash flows earned from the business. Profit Earnings Capacity Value (PECV) Method or Discounted Cash Flow (DCF) Method is used to estimate the value of the entity using Earning Approach. Whereas DCF Method estimates the value of business by the cash flows which are forecasted to be earned in future, PECV method capitalizes future maintainable profits (based on past trends and expected change in business activities) to estimate the value of the business.

Most of the companies under valuation have suspended their operations and hence their Cash Flows cannot be projected with certainty. The process of amalgamation or merger has been initiated with a view to bringing operations of the transferor companies under one umbrella and strengthening their long-term viability.

Only NEL has reported Profit during the FY 2018-19 and thus we have used PECV approach and have assigned a weight of 20 percent for the value arrived at under this approach. For the other companies, we have not applied Income Approach.

Cost Approach

Value of a business entity using Cost Approach is estimated using either net book value or replacement value or realizable value.

Audited Balance Sheets of HUL, TTL, OIL, NEL and NPL are available as at 31st March 2019. Wherever the companies have held investments we have attempted to obtain the Market value of such investments. Thus, we have used Net Asset Value method for all the companies and have adjusted them for changes in fair value of assets. Calculation of net asset value and value of equity shares of the companies are as at 31st March 2019.

All the companies have had Quoted and Unquoted Investments in their books (including cross holding between transferor and transferee companies). Wherever available, we have obtained or assessed the fair value of investments of the investee companies.

- In case of Unquoted investments, we have not been able to receive the financial statements from the management and hence the value of investments has been taken at cost. This is based on representations received from the management.
- In case of quoted investments,
 - We have taken the market value of investments as on 31st March, 2019, wherever available. These are treated as Level 1 investments.
 - Where the market value of investments has not been available, we have obtained their financial statements (associate companies) and their Net Asset Value has been taken as the proxy for their fair values in the books of HUL.
 - Where the market value of investments is not available and their financial statements have not been provided to us, we have assumed them at Zero Value.
- In case of inter-company holdings (cross holdings), we have adjusted the fair value of investments of HUL (Transferee) for the investments in TTL, OIL, NEL and NPL. We have not adjusted the Fair of HUL and other cross holding in transferor companies as they would be off-set during cross-holding adjustments.



Valuation as per SEBI Regulations

As per Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Extracts)

Offer Price.

8. (2) In the case of direct acquisition of shares or voting rights in, or control over the target company, and indirect acquisition of shares or voting rights in, or control over the target company where the parameters referred to in sub-regulation (2) of regulation 5 are met, the offer price shall be the highest of,—

- a) the highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer;
- b) the volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement;
- c) the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the public announcement;
- d) the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded;
- e) where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and
- f) the per share value computed under sub-regulation (5), if applicable.

Definitions

- “frequently traded shares” means shares of a target company, in which the traded turnover on any stock exchange during the twelve calendar months preceding the calendar month in which the public announcement [is required to be made under these regulations], is at least ten per cent of the total number of shares of such class of the target company....
- “volume weighted average market price” means the product of the number of equity shares traded on a stock exchange and the price of each equity share divided by the total number of equity shares traded on the stock exchange;
- “volume weighted average price” means the product of the number of equity shares bought and price of each such equity share divided by the total number of equity shares bought;
- “weighted average number of total shares” means the number of shares at the beginning of a period, adjusted for shares cancelled, bought back or issued during the aforesaid period, multiplied by a time-weighting factor;

Since the shares of the transferee (HUL) and transferor companies (TTL, NEL, OIL and NPL) are not frequently traded, we have used the valuation approaches as per Rule 8(2)(e) as prescribed.



Computation of Fair Share Exchange Ratio

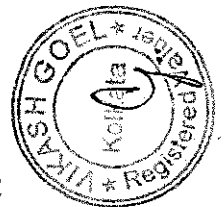
	HUL		TTL		OIL		NEL		NPL	
	Value per share	Weight	Value per share	Weight	Value per share	Weight	Value per share	Weight	Value per share	Weight
Asset Approach	220.06	100%	82.70	100%	26.12	100%	88.23	80%	79.73	100%
Income Approach	0	0%	0	0%	0	0%	3.34	20%	0	0%
Market Approach	0	0%	0	0%	0	0%	0	0%	0	0%
Relative Value per share	667.55		82.70		26.12		71.25		79.73	
Exchange Ratio (Rounded Off)	1		100:807		100:2555		100:936		100:837	

Based on the calculations above, The Transferee Company (HUL) will issue shares to Transferor companies in the following ratio:

- 100 equity shares of HUL of INR 10 each fully paid up for every 807 equity shares of TTL of INR 10 each fully paid up
- 100 equity shares of HUL of INR 10 each fully paid up for every 2555 equity shares of OIL of INR 10 each fully paid up
- 100 equity shares of HUL of INR 10 each fully paid up for every 936 equity shares of NEL of INR 10 each fully paid up
- 100 equity shares of HUL of INR 10 each fully paid up for every 837 equity shares of NPL of INR 10 each fully paid up

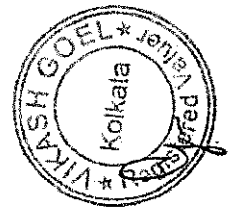
Note:

1. Assets approach has been adopted for valuation of Companies on the basis of their audited financial statements as of 31st March, 2019.
2. Income Approach could not be considered (except for NEL) as their future cash flows could not be projected.
3. Market Approach could not be considered as the shares of these Companies are not frequently traded on any of the Stock Exchanges.



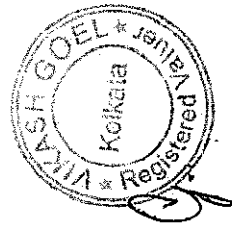
Annexure: Summary Financial Statements (Profit & Loss Statement)

Profit & Loss Statement	Northern Projects Ltd 31-Mar-19	Neptune Exports Ltd 31-Mar-19	Tea Time Ltd 31-Mar-19	Orient International Ltd 31-Mar-19	Hindusthan Udyog Ltd. 31-Mar-19
Revenue from Operations					
Revenue from Operations	101,055	5,618,880	77,582	-	163,680,000
Other Income	101,055	1,910,767	2,700	-	47,196,000
Total Revenue from Operations		7,529,647	80,282	-	210,876,000
Expenses					
Cost of Materials consumed					75,598,000
Excise Duty & GST					-
Changes in Inventory					-
Loss on sale of investment			6,710,205		38,825,000
Employee Benefit Expenses	412,036	181,643	11,017		51,699,000
Finance costs					14,047,000
Depreciation Expenses		1,774,068			11,129,000
Other expenses	2,693,245	1,440,021	1,994,692	331,241	35,733,000
Total Expenses	3,105,281	3,395,732	8,715,914	331,241	227,031,000
Profit before exceptional items	-3,004,226	4,133,915	-8,635,632	-331,241	-16,155,000
Exceptional items					-
Profit/(Loss) before Tax	-3,004,226	4,133,915	-8,635,632	-331,241	-16,155,000
Tax (Current Yr / Deferred Tax / MAT Credit)	145,044	800,000			
Profit After Tax	-3,149,270	3,333,915	-8,635,632	-331,241	-16,155,000
Transfers					
Total Comprehensive Profit/(Loss) for the year /	-3,149,270	3,333,915	-8,635,632	-331,241	-16,155,000
Profit Transferred to Balance Sheet					



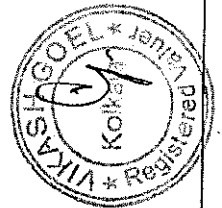
Annexure: Summary Financial Statements (Balance Sheet)

	Northern Projects Ltd 31/Mar/19	Neptune Exports Ltd 31/Mar/19	Tea Time Ltd 31/Mar/19	Orient International Ltd 31/Mar/19	Hindusthan Udyog Ltd. 31/Mar/19
BALANCE SHEET					
Equity & Liabilities					
Equity					
Equity Share Capital	22,050,000	30,000,000	29,039,190	22,000,000	71,767,000
Other Equity	152,858,832	153,532,943	217,467,848	40,832,242	244,537,000
Total Equity	174,908,832	183,532,943	246,507,038	62,832,242	316,304,000
Liabilities					
Total Non Current Liabilities	-	-	-	-	86,471,000
Current Liabilities					
Total Current Liabilities	3,951,911	1,052,416	202,111	87,900	552,424,000
Total Equity & Liabilities	178,860,743	184,585,359	246,709,149	62,920,142	955,199,000
Assets					
Non Current Assets					
Property, Plant & Equipment		23,880,343	47,827		123,790,000
Others					1,955,000
Capital Work in progress					
Financial Assets					
- Investments	19,653,844	52,868,587	27,917,247	25,481,318	99,464,000
Deferred Tax Assets	25,362				
Loans & Deposits	10,000	91,032,212	212,450,000	37,025,000	9,129,000
Other Non Current Assets		9,998,841			
Total Non Current Assets	19,689,206	177,789,983	240,415,074	62,506,318	234,338,000
Current Assets					
Total Current Assets	159,171,537	6,795,376	6,294,075	413,824	720,861,000
Total Assets	178,860,743	184,585,359	246,709,149	62,920,142	955,199,000



Annexure: Valuation of Companies

	Northern Projects Ltd	Neptune Exports Ltd	Tea Time Ltd	Orient International Ltd	Hindusthan Udyog Ltd.
Calculation of adjusted Net Asset Value					
Net Asset Value (Book Value)	174,908,832	183,532,943	246,507,038	62,832,242	316,304,000
Less: Book Value of Investments	-19,653,844	-52,868,587	-27,917,247	-25,481,318	-99,464,000
Less: Book Value of Land & Building	-	-23,118,862	-47,827	-	-83,811,000
Less: Book Value of PP&E (Other than Land)	-	-771,481	-	-	-39,979,000
Add: Fair Value of Investments - Quoted	12,253,055	-	-	-	3,256,909,755
Add: Fair Value of Investments - Unquoted	8,291,800	46,556,000	21,557,700	20,117,500	7,221,000
Add: Fair Value of Land	-	110,578,644	47,827	-	1,421,448,000
Add: Fair Value of PP&E (Other than Land)	-	771,481	47,827	-	12,212,987
Adjusted Net Asset Value	175,799,843	264,680,138	240,147,491	57,468,424	4,790,841,742
Calculation of Value as per Income Approach					
Current Profits	31/Mar/19	31/Mar/19	31/Mar/19	31/Mar/19	31/Mar/19
Average Profit	-3,149,270	3,333,915	-8,635,632	-331,241	-16,155,000
Capitalisation Rate		1,802,607			
Value of the Company		18%			
Value of the Company (Max / Rounded off)	-	10,014,483	-	-	-
		10,014,483			
Calculation of Value and Share Exchange Ratio					
Value as per Cost Approach (Adjusted NAV)	31/Mar/19	31/Mar/19	31/Mar/19	31/Mar/19	31/Mar/19
Value as per Income Approach (PECV)	175,799,843	264,680,138	240,147,491	57,468,424	4,790,841,742
Value as per Market Approach (Relative Valuation)	-	10,014,483	-	-	-
Value of Equity (Weighted average)	175,799,843	213,747,007	240,147,491	57,468,424	4,790,841,742
Number of Shares	2,205,000	3,000,000	2,903,919	2,200,000	7,176,725
Value per share	79.73	71.25	82.70	26.12	667.55





**The Board of Directors
Hindusthan Udyog Limited**
Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata – 700046

**The Board of Directors
Northern Projects Limited**
Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata – 700046

**The Board of Directors
Orient International Limited**
Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata – 700046

**The Board of Directors
Neptune Exports Limited**
Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata – 700046

**The Board of Directors
Tea Time Limited**
Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata – 700046

Sub: Fairness Opinion on the Share Exchange Ratio for the Proposed Scheme of Amalgamation of Neptune Exports Limited, Northern Projects Limited, Tea Time Limited & Orient International Limited with Hindusthan Udyog Limited

Dear Sirs,

1. ENGAGEMENT BACKGROUND

We understand that the Board of Directors of the above referred Companies are considering an amalgamation of Tea Time Limited, Orient International Limited, Neptune Exports Limited and Northern Projects Limited (together referred to as the “Transferor Companies”) with Hindusthan Udyog Limited (the “Transferee Company”) pursuant to a Scheme of Amalgamation under the applicable provisions of The Companies Act, 2013.

We further understand that pursuant to the above Amalgamation, the shareholders of Transferor Companies will be issued equity shares of Transferee Company as consideration for their respective shareholdings in the Transferor Companies.

We further understand that the Share Exchange ratio in this regard has been arrived based on the Valuation Report dated 20th March, 2020 prepared by Mr. Vikash Goel, Registered Valuer having Registration No. IBBI/RV/01/2018/10339 (the “Valuer”) who has been independently appointed by the Transferor and Transferee Companies.

In connection with the aforesaid, you have requested our Opinion as to the fairness of the Share Exchange Ratio, as recommended by the Valuer.





2. BACKGROUND OF THE COMPANIES

Hindusthan Udyog Limited

Hindusthan Udyog Limited (CIN No. L27120WB1947PLC015767) was originally incorporated on 3rd September, 1947 as Hindusthan Sheet & Metal Company Limited and subsequently the name was changed to Hindusthan Sheet Metal Limited with effect from 7th October, 1987. The Company has its Registered Office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046 and is listed with BSE Limited and the Calcutta Stock Exchange Limited. It is engaged in the business of manufacturing and sale of alloy steel castings.

Tea Time Limited

Tea Time Limited (CIN No. L01132WB1979PL032246) is a Company incorporated under the provisions of The Companies Act, 1956 with its Registered Office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Company is listed with BSE Limited and the Calcutta Stock Exchange Limited. It was engaged in the business of tea export.

Orient International Limited

Orient International Limited (CIN No. L27310WB1981PLC034139) is a Company incorporated under the provisions of The Companies Act, 1956 with its Registered Office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Company is listed with the Calcutta Stock Exchange Limited. It was engaged in the business of tea export.

Neptune Exports Limited

Neptune Exports Limited (CIN No. L51909WB1982PLC034494) is a Company incorporated under the provisions of The Companies Act, 1956 with its Registered Office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Company is listed with BSE Limited and the Calcutta Stock Exchange Limited. It was engaged in the business of tea export.

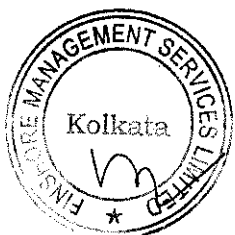
Northern Projects Limited

Northern Projects Limited (CIN No. L45400WB1983PLC035987) is a Company incorporated under the provisions of The Companies Act, 1956 with its Registered Office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Company is registered with Reserve Bank of India as a Non-Banking Financial Institution vide Certificate of Registration No. 05.02409. Its shares are listed with BSE Limited and the Calcutta Stock Exchange Limited.

3. SOURCES OF INFORMATION

We have relied on the following information for forming our opinion on the fairness of the Share Exchange Ratio-

- (a) Annual Report of the Transferor and Transferee Companies for the year ending 31st March, 2019;
- (b) Draft Scheme of Amalgamation between the Transferor and Transferee Companies and their respective shareholders and creditors;





- (c) Latest Shareholding Pattern of all the Transferor and Transferee Companies;
- (d) Valuation report dated 20th March, 2020 issued by Mr. Vikash Goel, Registered Valuer having Registration No. IBBI/RV/01/2018/10339 (the "Valuer") determining the Share Exchange Ratio; and
- (e) Other relevant information and explanation as we required and were provided by the Management of the Transferor and Transferee Companies.

4. RATIONALE OF THE SCHEME OF AMALGAMATION

The Proposed amalgamation:

- (a) Shall enable pooling of resources of the Companies involved in the amalgamation, resulting in a more productive utilization of their resources, cost and operational efficiencies;
- (b) Will result in reduction in overhead and other expenses, administrative and procedural work and elimination of duplication of work which shall enable the Companies to achieve internal economies and optimize their productivity; and
- (c) Will result in the creation of a Company with larger asset base and net worth with strong financials enabling its further growth and development. It shall also strengthen its credibility with the financial institutions, banks and general public at large.

5. SCOPE AND LIMITATIONS/CAVEATS

- (a) Our opinion and analysis are limited to the extent of review of documents as provided to us by the Transferor and Transferee Companies including the Share Exchange Ratio Report prepared by Mr. Vikash Goel, Registered Valuer having Registration No. IBBI/RV/01/2018/10339 dated 20th March, 2020 and draft proposed scheme. We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial forecasts relating to these Companies. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Transferor and Transferee Companies, if any.
- (b) In rendering our opinion, we have assumed that the Scheme of Amalgamation will be implemented on the terms described therein without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary regulatory approvals to the Scheme of Amalgamation, no delay, limitation, restriction or conditions will be imposed that would have an adverse effect on the Scheme.





- (c) We do not express an opinion as to any tax or other consequences that might arise from the Scheme of Amalgamation nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.
- (d) We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as contemplated in the Scheme of Amalgamation provided to us and is not valid for any other purpose.
- (e) Our engagement and opinion expressed herein are for the use of Board of Directors of the Companies in connection with the Scheme of Amalgamation and for no other purpose. Neither we nor any of our affiliates, partners, directors, shareholders, managers, employees or agents or any of them make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.
- (f) No decision should be taken based on this Report by any person intending to provide finance or invest in shares of the Companies and shall do so after seeking their own professional advice and carrying out their own due diligence to ensure that they are making an informed decision.
- (g) Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Amalgamation, if required or any matter related thereto.
- (h) Reproduction, Copying or otherwise quoting of our Report or any parts thereof, other than in connection with the scheme of amalgamation, can be done only with our prior consent in writing.
- (i) Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of amalgamation with the provisions of any law including companies, taxation and capital market related law or as regards any legal implication or issues arising from proposed amalgamation.

6. OPINION

Considering above and subject to our caveats, we are of the opinion that the following Share Exchange ratios, as recommended by the Valuer, are fair to the Transferor and Transferee Companies and their respective shareholders:-

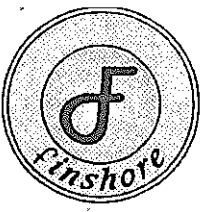
- 100 Equity Shares of Hindusthan Udyog Limited of INR 10 each fully paid up for every 807 Equity Shares of INR 10 each held in Tea Time Limited;



FINSHORE MANAGEMENT SERVICES LIMITED

(CIN : U74900WB2011PLC169377) ● Website : www.finshoregroup.com

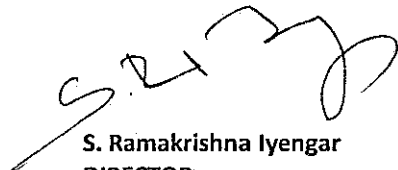
Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. : 033 2289 5101



- 100 Equity Shares of Hindusthan Udyog Limited of INR 10 each fully paid up for every 2555 Equity Shares of INR 10 each fully paid up held in Orient International Limited;
- 100 Equity Shares of Hindusthan Udyog Limited of INR 10 each fully paid up for every 936 Equity Shares of INR 10 each fully paid up held in Neptune Exports Limited; and
- 100 Equity Shares of Hindusthan Udyog Limited of INR 10 each fully paid up for every 837 Equity Shares of INR 10 each fully paid up held in Northern Projects Limited.

As per the Scheme of Amalgamation the fractional entitlements shall be rounded off to the nearest integer.

For Finshore management Services Ltd
SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185


S. Ramakrishna Iyengar
DIRECTOR



PLACE: KOLKATA
DATE: 21st MARCH, 2020

National Company Law Tribunal, Kolkata Bench
C.A. (CAA) No. 13/KB/2021

Tea Time Limited (Transferor Company 1), Orient International Limited (Transferor Company 2), Neptune Exports Limited (Transferor Company 3) Northern Projects Limited (Transferor Company 4) and Hindusthan Udyog Limited (Transferee Company)
..... Applicants.

Form No. MGT. 11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L27120WB1947PLC015767

Name of the company: Hindusthan Udyog Limited

Registered Office: Trinity Plaza, 3rd Floor,

84/1A, Topsia Road (South)

Kolkata- 700046

Name of the member(s):

Registered address:

E-mail id:

Folio No./Client Id:

DP ID:

I/We, being the holder(s) of _____ equity shares of the above named company, hereby appoint

1. Name:

Address:

Email id:

Signature: _____ or failing him

2. Name:

Address:

Email id:

Signature: _____ or failing him

3. Name:

Address:

Email id:

Signature: _____

as my/our proxy, to attend and vote (on a poll) for me/us and on my/our behalf at the Meeting of Shareholders the company, to be held on Friday the 21st day of May, 2021 at 2:00 PM at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South) Kolkata- 700046 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution:

"RESOLVED that pursuant to the provisions of section 230 to 232, and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as maybe applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March,, 2017 and the observation letters issued by the BSE Limited dated 13th November, 2020 and the Calcutta Stock Exchange Limited dated 20th November, 2020 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which maybe agreed to by the Board of Directors of the Company, the scheme of amalgamation between Tea Time Limited, Orient International Limited, Neptune Exports Limited, Northern Projects Limited and Hindusthan Udyog Limited placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any which may be required and/or imposed by the NCLT while sanctioning the scheme of amalgamation, or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

Signed this _____ day of _____, 2021

Signature of the shareholder

Signature of Proxyholder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT 2013
BETWEEN
TEA TIME LIMITED (“TRANSFEROR COMPANY 1”)
AND
ORIENT INTERNATIONAL LIMITED (“TRANSFEROR COMPANY 2”)
AND
NEPTUNE EXPORTS LIMITED (“TRANSFEROR COMPANY 3”)
AND
NORTHERN PROJECTS LIMITED (“TRANSFEROR COMPANY 4”)
AND
HINDUSTHAN UDYOG LIMITED (“TRANSFeree COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. BACKGROUND AND DESCRIPTION OF COMPANIES

1.1 Tea Time Limited (Transferor Company 1), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 1 is L01132WB1979 PL032246 and is inter-alia engaged in following businesses:

1. *To buy, sell, import, export, blend, package, process, mix various kinds of tea including leaf tea, dust tea, instant tea, tea bags and to do the same in India or elsewhere individually or in collaboration with others.*
2. *To carry on the business of owning, managing, operating, taking on lease, developing tea gardens and tea plantations and also to produce, cultivate, sell, purchase, manufacture all kinds of plantation products and generally to deal in all kinds of plantation products, forest products and various kinds of crops including rubber, shellac, timber, coffee, cocoa and cinchona among others and to do the same in India or elsewhere.*
3. *To carry on the business of ware housing, transporting, storing tea and other commodities and also to act as commission agents, auctioneers, distributors, and recognized export house.*

The Equity Shares of the Transferor Company 1 are listed on BSE Limited and Calcutta Stock Exchange.

1.2 Orient International Limited (Transferor Company 2), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 2 is L27310WB1981PLC034139 and is inter-alia engaged in following businesses:

1. *To carry on the business of casting, forging, rolling, refining, smelting, altering, improving, buying, selling, importing, exporting, manufacturing and otherwise*

dealing in Iron & Steel all forms, shapes and sizes and alloys thereof and of owning, operating and managing mini-steel plants.

2. *To carry on the business of casting, forging, rolling, refining, smelting, altering, improving, buying, selling, importing, exporting, manufacturing and otherwise dealing in aluminum, copper, zinc and other metals and alloys.*
3. *To carry on the business of manufacturing, buying, selling and otherwise dealing in material handling equipments, coal mining equipments and other engineering goods and to act as boiler makers, mill, wrights, smiths metallurgists and mechanical engineers.*

The Equity Shares of the Transferor Company 2 are listed on Calcutta Stock Exchange and Delhi Stock Exchange.

- 1.3 Neptune Exports Limited (Transferor Company 3), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 3 is L51909WB1982PLC034494 and is inter-alia engaged in following businesses:

1. *To carry on the business of importers, exporters, recognised export house, indenting agents and commission agents in connection with export - import business of various goods and articles and to carry on the above activity in India or elsewhere either individually or in collaboration with others.*
2. *To carry on the business of packaging, purchasing, selling and generally dealing in all kinds of goods and articles in connection with export import business and to act as retailers, wholesalers, godown keepers, stockists, aratdars or agents in connection with the above trade.*
3. *To carry on the business of buying, selling, importing exporting and otherwise, dealing in silk and silk products of every description, leather and leather goods of every kind, ordinary tea, dust tea, packaged tea, tea bags and other kinds of tea and to do the same in India or elsewhere either individually or in collaboration with others.*

The Equity Shares of the Transferor Company 3 are listed on BSE Limited and Calcutta Stock Exchange.

- 1.4 Northern Projects Limited (Transferor Company 4), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferor Company 4 is L45400WB1983PLC035987 and is inter-alia engaged in following businesses:

- (1) *To carry on the business of manufacturers, importers, exporters and founders of ferrous and non-ferrous metals, sheet metal workers, mechanical, structural, electrical and metallurgical engineers, to carry on the work of cast Iron foundry for the manufacture of all types of pipes and pipe-fittings, water reservoirs, drainage requisites Including manhole frames and covers, gratings and ladders, cast-iron-sanitary appliances and fittings including flushing cisterns, bath-tubs, wash-basins, cast iron building requisite including railing, spiral stairs, ladders, ventilators ornamental window-frames, pillars, agricultural implements including choppers, ploughs, cast iron, railway casting including sleepers, fish-plates, wheels and other fittings, household requisites and utensils including cooking*

pans, containers, coal mining and engineering requisites including pinions, tube-wheels, pump parts and other general and special castings.

- (2) *To carry on the work of mechanical and electrical engineers and to run a workshop to undertake and execute all types of mechanical and structural jobs of manufacturing, fabrication and erection of buildings and articles and to do various types of sheets, metal work including manufacturing and construction of storage tanks, buckets, drums, various types of containers and other similar items that may be easily marketable.*
- (3) *To carry on the business of financing Industrial Enterprises whether by way of making loans or advances to or subscribing to the capital of Private Industrial Enterprises in India.*
- (4) *To invest, buy, sell, transfer, hypothecate and dispose of any shares, stocks, securities, properties, bonds or any Government/Local Authority bonds & certificates, debentures whether perpetual or redeemable and debenture-stocks.*

The Transferor Company 4 is a Non-Banking Financial Institution, registered with the Reserve Bank of India vide Certificate of Registration dated 16th May, 1998 bearing registration no. 05.02409.

The Equity Shares of the Transferor Company 4 are listed on BSE Limited and Calcutta Stock Exchange.

1.5 Hindusthan Udyog Limited (Transferee Company), is a public company incorporated under the Companies Act, 1956, having its registered office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Corporate Identification Number of the Transferee Company is L27120WB1947PLC015767 and is inter-alia engaged in following businesses:

1. *To carry on the business of steel fabrication, iron founders, cast iron castings, die & pressure die castings, and to run, operate, steel foundries, mini steel plant and to manufacture, buy, sell, exchange, refine, smelt, prepare, work, alter, improve, import, export and otherwise deal in round, square, flat steel or sheets, deformed bars, machine, parts, buckets, corrugated sheets, screws, bolts, nuts, nails, rods, plates, tubes, bends, sockets, flanges, fittings, tees, beams, joists, tools, implements, torsteel, torkari and other articles and things made of iron, steel and other metals.*
2. *To carry on the business of mechanical engineers and manufacturers of agricultural implements and other machinery, tools makers, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths and general iron and steel processors, wire-drawers, galvanisers, enamellers, electroplaters, tin plate makers, boiler makers, anodisers, mettalaugists and iron masters.*
3. *To purchase, take on lease or otherwise acquire any iron and steel manufacturing unit or units, iron foundries, workshop, rolling mills, steel casting sheds, are furnaces, wire drawing units and other going concern dealing in metals and minerals.*
4. *To carry on the business or businesses of manufacturers, importers and exporters of and dealers in sheet metals (ferrous and non-ferrous) and sheet metal articles and in ferrous and non-ferrous castings of all kinds and in particular galvanised buckets, fire buckets, bath tubs, mugs, drums, tanks, tin containers, and*

other articles for carrying or storing water, oil and other materials, solid or liquid, suit cases, trunks, boxes, tables, chairs, shelves, almirahs, safe, and other kind or steel, and metal furniture, chimneys, pipes, ridgings, ventilators roofings, dust-bins, hand carts, municipal carts, and all such other articles, pans, rice bowls, cooking pots and hollow wares of all kinds; cooking stoves of all description and their accessories, cast iron pipes and fittings, railings, stair cases, ventilators and all building materials, manhole covers, surface boxes, cisterns, weights and castings of all description, big and small, chilled and malleable castings, special alloy castings, steel castings, gun-metal, copper, brass and alluminium castings and foundry works of all kinds; hurricane lanterns and other kinds of lanterns and lamps and all their parts and accessories, oil stoves, gas stoves and other kinds of stoves, cookers, torches, batteries and all their parts anti accessories, gates and railings, collapsible gates and grills, stairs, columns, trusses, metal doors and windows and other buildings materials, bolts and nuts, rivets, washers, wire nails, screws, hinges, hook bolts, tower bolts, dogspikes, signaling materials and railway carriage and wagon fittings, and die and press work of all kinds rods, bars, wires, sheets and all kinds of ferrous and non-ferrous rolling works, mill, factory, tea garden and colliery requisites of all kinds.

5. *To carry on the business of cultivating, growing, processing, blending, packing tea and to sell, dispose of export, import and otherwise deal in tea either in its raw or manufactured state either in whole sale or retail either in packed or loose form.*
6. *To carry on the business of public carriers, transporters and carrier of goods, passengers, merchandise and other products and goods and luggage of all kinds and description in any part of India and elsewhere on land, water and air by any conveyances whatsoever.*
7. *To buy, sell, deal in or to act as distributors, stockists, importers, exporters, area representatives, manufacturers agents, whole selling agents for all kinds of building and construction materials, machineries and tools, stores, hardware items, tea-garden implements and stores including pig iron, hard coke, coal, G. C. Sheets, asbestos sheets, R. C. Posts, CTC segments, Cement, wire, fencing, hoop iron, pallets, chests and various other merchandise whether produced In India or elsewhere.*

The Equity Shares of the Transferee Company are listed on BSE Limited and Calcutta Stock Exchange.

2. DESCRIPTION OF THE SCHEME

- 2.1 This Scheme provides, inter alia, for the amalgamation of the Transferor Companies into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Companies without winding up and the consequent issuance of the Transferee Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to the Eligible Members (as defined hereunder) in respect of each share of the Transferor Companies held by them in accordance with this Scheme ("Amalgamation") and Sections 230 to 232 along with other relevant provisions of the Act and in compliance with the provisions of the Income Tax Act, 1961.
- 2.2 The Amalgamation of the Transferor Companies into the Transferee Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act, 1961 such that, *inter alia*:

- (i) all the properties of the Transferor Companies, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;
- (ii) all the liabilities of the Transferor Companies, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation; and
- (iii) shareholders holding at least three fourths in value of the shares in the Transferor Companies, will become shareholders of the Transferee Company by virtue of the Amalgamation.

3. PURPOSE AND RATIONALE FOR THE SCHEME OF ARRANGEMENT/ AMALGMATION

The Board of the Transferor Companies and the Transferee Company are of the opinion that the proposed arrangement between the Transferor Companies with the Transferee Company will be for the benefit of all the companies in the following manner:

- a) The amalgamation will enable pooling of resource of the companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost and operational efficiencies which would be beneficial for all stakeholders.
- b) The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Transferee Company and enable it to withstand with the growing competition in the market scenario.
- c) The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- d) If the proposed amalgamation comes into effect then it will strengthen the credibility of the Transferee Company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and the Transferor Companies.

There is no likelihood that interest of any shareholder or creditor of any of the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement/Amalgamation will not impose any additional burden on the members of the Transferor Companies or the Transferee Company.

4. This Scheme is divided into the following parts:

- (i) Part I which deals with the introduction and definition, and sets out the share capital of the Transferor Companies and the Transferee Company;
- (ii) Part II which deals with the Amalgamation; and
- (iii) Part III which deals with the general terms and conditions applicable to the Scheme.

PART I

5. DEFINITIONS

- 5.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:
- (a) **“Act”** shall mean the Companies Act, 2013 as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time.
 - (b) **“Amalgamation”** shall have the meaning ascribed to it in Clause 2.1 above.
 - (c) **“Applicable Law”** shall mean any applicable law, statute, ordinance, rule, regulations, guideline or policy having the force of law, of any governmental authority.
 - (d) **“Appointed Date”** shall mean 1st April, 2019 or such other date as maybe approved by the National Company Law Tribunal, Kolkata Bench or such other appropriate authority.
 - (e) **“Board”** in relation to any of the Transferor Companies and the Transferee Company, as the case maybe, means the Board of Directors of such company and shall, where applicable, include a duly authorized committee of the Board.
 - (f) **“Effective Date”** means the date on which certified copies of the order of the National Company Law Tribunal or any appropriate authority sanctioning this scheme of Amalgamation under the applicable provisions of the Act are filed with the Registrar of Companies.
 - (g) **“Eligible Member”** shall mean the person whose name appears in the register of members of the Transferor Companies and/or whose name appears as the beneficial owner of the shares of Transferor Companies in the record of depositories on the Record Date.
 - (h) **“NCLT”** shall mean the National Company Law Tribunal at Kolkata, West Bengal.
 - (i) **“Record Date”** shall mean any date after the Effective Date to be fixed by the Board of the Transferee Company for issuing shares of the Transferee Company to the shareholders of the Transferor Companies.
 - (j) **“SEBI”** means the Securities and Exchange Board of India.
 - (k) **“SEBI Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines, etc., that may replace such regulations.
 - (l) **“SEBI Scheme Circular”** means the SEBI Circular dated March 10, 2017 bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time.
-

- (m) **“Share Exchange Ratio”** shall have the meaning as ascribed in paragraph 9.1(ii) of the Scheme.
- (n) **“Transferor Companies”** shall mean and include Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4.
- (o) **“Transferee Company Shares”** shall mean fully paid up equity shares of the Transferee Company each having a face value of Rs. 10/- and one vote per share.
- (p) **“Transferor Companies Undertaking”** means and includes:
 - (i) All properties and assets, both movable and immovable, including liabilities of the Transferor Companies immediately before amalgamation;
 - (ii) Without prejudice to the generality of the foregoing clause and subject to the provisions of the Scheme, the said undertaking shall include the entire business and all the properties and assets, movable or immovable, real or personal, corporal or incorporeal, in possession or reversion, present or contingent or whatsoever nature and wheresoever situated including furniture & fixtures, office equipment, air conditioners, electrical fittings, vehicles, leasehold improvements, computer software, current assets, sundry debtors, cash and bank balances, loans and advances, motor car, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interest, benefits and advantages belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by any of the Transferor Companies including but without being limited to all trademarks, trade names, and other industrial rights of any nature whatsoever and licences in respect thereof, right to use and avail telephones, telexes, internet, facsimiles, connections, installations, utilities, electricity and other services, reserves and provisions, funds and benefit of all agreements, contracts and all other interest, duties and obligations of the Transferor Companies or which the Transferor Companies are entitled to and all debts, paper, documents and records relating to the above.

5.2 In this Scheme, unless the context otherwise requires:

- (a) reference to persons shall include individuals, body corporates (wherever incorporated), unincorporated associations and partnerships;
- (b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (c) words in the singular shall include the plural and vice versa;
- (d) any reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date; and
- (e) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have same meaning prescribed to them under the Act and other Applicable Laws.

5.3 Date of taking effect and Operative Date

Upon the occurrence of the Effective Date, the Scheme set out herein, its present form or with any modification(s) approved or imposed or directed by NCLT or any other appropriate authority, shall become operative with effect from the Appointed Date.

6. SHARE CAPITAL

- (i) The share capital structure of the Transferor Company 1 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
30,00,000 equity shares of INR 10/- each	3,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
29,03,919 equity shares of INR 10/- each	2,90,39,190

- (ii) The share capital structure of the Transferor Company 2 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
22,00,000 equity shares of INR 10/- each.	2,20,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
22,00,000 equity shares of INR 10/- each.	2,20,00,000

- (iii) The share capital structure of the Transferor Company 3 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
30,00,000 equity shares of INR 10/- each.	3,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
30,00,000 equity shares of INR 10/- each.	3,00,00,000

- (iv) The share capital structure of the Transferor Company 4 as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
22,50,000 equity shares of INR 10/- each.	2,25,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
22,05,000 equity shares of INR 10/- each.	2,20,50,000

- (v) The share capital structure of the Transferee Company as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT (in INR)
<u>Authorized Share Capital</u>	
485,00,000 equity shares of INR 10/- each.	48,50,00,000
60,00,000 10% Cumulative Redeemable Preference Share of INR 10/- each.	6,00,00,000
TOTAL	54,50,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
71,76,725 equity shares of INR 10/- each.	7,17,67,250

NB: In addition to the aforesaid, the Transferee Company has also issued 60,00,000 10% Cumulative Preference Share of INR 10/- each.

PART – II

7. AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

7.1 Transfer

With effect from the Appointed Date and upon the Scheme becoming effective on the Effective Date, the transfer and vesting of Transferor Companies Undertaking including all its properties, assets and liabilities of whatsoever nature shall under the provisions of Section 230 to 232 of the Act and pursuant to order(s) of the NCLT or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, matter or thing, stand transferred and vested in and/or deemed to be transferred to and vested in Transferee Company so as to become the undertaking, properties, assets and liabilities of the Transferee Company in accordance with the Section 2(IB) of the Income Tax Act, 1961, in the following manner:-

7.2 Transfer of Assets:

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all the estates, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferor Companies Undertaking, of whatsoever nature and wherever situated, whether or not included in the books of the concerned Transferor Companies shall subject to the provisions of this Clause 7.2 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest, authorities of the Transferee Company.
- (ii) With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including but not limited to, stock of goods, sundry debtors, investments,

plants and equipment, motor vehicles, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT), set-off rights, pre-paid taxed, levies/liabilities, CENVAT/VAT credits/ GST credits, if any, with government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company and, if required, appropriate governmental and registration authorities shall substitute the name of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

- (iii) In respect of such of the assets belonging to the Transferor Companies other than those referred to in sub-clause (ii) above the same shall, as more particularly provided in sub-clause (i) above without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act.

7.3. Contracts, Deeds, Licenses etc.

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, approvals, subsidies, rights, claims, leases, tenancy, liberties or other benefits or privileges, deeds, bonds, agreements, schemes, licenses, permits, quotas, arrangements and other instruments of whatsoever nature, to which any of the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible or for the obligations of which the Transferor Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the concerned Transferor Companies, the Transferee Company has been a party or beneficiary or oblige thereto.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Companies Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings as a successor of the concerned Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the concerned Transferor Companies to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of any of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or

executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any governmental authority as may be necessary in this behalf.

- (iv) Without prejudice to the provisions of Clause 7.4 to 7.7, with effect from the Appointed Date, all transactions between any of the Transferor Companies and the Transferee Company, if any, that have not been completed, shall stand cancelled.

7.4. Transfer of Liabilities

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of the Transferor Companies shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company as a going concern so as to become on and from the Appointed Date, the liabilities of the Transferee Company by virtue of and in the manner provided in this scheme.
- (ii) Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by the Transferor Companies after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.
- (iii) The transfer and vesting of the Transferor Companies Undertaking, as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become operative.

- (iv) Transferee Company will, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Companies to which the concerned Transferor Company is party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the concerned Transferor Company and to

carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.

- (v) Loans or other obligations, if any, due either between Transferee Company and Transferor Companies or in between the Transferor Companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Companies and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- (vi) Transferee Company will distribute the dividend as when declared on the proportionate basis keeping in mind the allotment/transfer of shares to the shareholders of the Transferor Companies.

7.5 Legal, taxes and other proceedings

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Transferor Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Transferee Company.
- (ii) The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Companies referred to in clause above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the concerned Transferor Companies.

7.6. Employees

- (i) Upon the coming into effect of this Scheme, all employees of the Transferor Companies shall become the employees of the Transferee Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the concerned Transferor Company and without any interruption of service as a result of amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of the employees of the Transferor Companies with the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.
- (ii) In so far as the Employee Benefit Funds created by the Transferor Companies or in respect of which the Transferor Companies makes contributions, for the employees of the Transferor Companies, all amounts standing to the credit of the employees of the Transferor Companies in such Employees Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Transferee Company.

- (iii) In relation to those employees of the Transferor Companies who are not covered under the provident fund trust of the concerned Transferor Company or who do not enjoy the benefit of any other provident fund trust, and for whom the concerned Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye-laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the concerned Transferor Company in relation to such provident fund trust shall become those of the Transferee Company.
- (iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the employees of the Transferor Companies would be continued to be deposited in the existing Employee Benefit Funds of the concerned Transferor Companies. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Companies shall stand dissolved.
- (v) Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
 - (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Companies; or
 - (b) merge the pre-existing funds of the Transferor Companies with other similar funds of the Transferee Company.

7.7. Treatment of Taxes

- (i) With effect from the Appointed Date, all the profits or incomes accruing or arising to Transferor Companies and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, the Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like Goods and Services tax (GST) etc. and to claim refund/credits and/or set off amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the GST returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- (ii) Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credits for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and/or set off of all amounts paid by the Transferor Companies or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax,

Goods and Service Tax or any other tax, as may be required consequent to the implementation of the Scheme.

- (iii) Transferee Company shall be entitled to revise its statutory returns relating to direct taxes like Income Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Companies under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- (iv) It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be, of the Transferee Company.
- (v) From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in its existing name.
- (vi) Since each of the permissions, approvals, consents, sanctions, special reservations, incentives, concessions and other authorizations of the respective Transferor Companies shall stand transferred, by the order of the NCLT or any other appropriate authority sanctioning the Scheme, to Transferee Company, each of the Transferor Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of NCLT or any other appropriate authority.

8. Conduct of Business:

With effect from the Appointed Date and till the Scheme come into effect -

- (i) Transferor Companies shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company and all the profits accruing to the respective Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
- (ii) Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto and Transferor Companies shall not alter or substantially expand its businesses except with the concurrence of Transferee Company.
- (iii) Transferor Companies shall not without the written concurrence of Transferee Company, alienate charge or encumber any if its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Transferee Company, as the case may be.
- (iv) Transferor Companies shall not vary or alter except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Transferee Company, the

terms and conditions of employment of any of its employees, except with the written consent of Transferee Company.

- (v) With effect from the date of approval of this Scheme by the respective Boards of the Transferor Companies and the Transferee Company, the Transferor Companies shall notify the Transferee Company in writing as soon as reasonable practicable of any matter, circumstance, act or omission as the case may be.
- (vi) With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the closing business hours of Appointed Date, whether or not provided in their books and all liabilities which are or accrue after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.
- (vii) For the purpose of giving effect to the vesting order passed by the NCLT under Sections 230 to 232 of Companies Act, 2013 and Rules made thereunder with respect of the Scheme, the Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Companies Undertaking in accordance with the provisions of the Act. Transferee Company shall be authorized to execute any pleadings, applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

9. CONSIDERATION

9.1. CONSIDERATION AND AMALGAMATION

- (i) The Transferee Company shall, without further application, act or deed, issue and allot to each of the shareholder of the Transferor Companies (whose names are registered in the Register of Members of the respective Transferor Company on the Record Date, or his legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in such share exchange ratio as mentioned below which has been made on a reasonable basis and on the advice of Mr. Vikash Goel, a Chartered Accountant and a Registered Valuer .
- (ii) The Transferee Company shall allot 100 equity shares of Rs. 10/- each in the Transferee Company:
 - for every 807 equity shares of Rs. 10/- held as fully paid up in Transferor Company 1;
 - for every 2,555 equity shares of Rs. 10/- held as fully paid up in Transferor Company 2;
 - for every 936 equity shares of Rs. 10/- held as fully paid up in Transferor Company 3; and
 - for every 837 equity shares of Rs. 10/- held as fully paid up in Transferor Company 4.
- (iii) If any of the shareholders of any of the Transferor Companies becomes entitled to receive fraction of an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the nearest integer.
- (iv) No fraction certificates shall be issued by Transferee Company in respect

of the fractional entitlement, if any, to which the equity shareholders of any of the Transferor Companies may be entitled on issue and allotment of equity shares of Transferee Company, as aforesaid.

- (v) Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in any of the Transferor Companies and the Paid-Up Share Capital of the Transferor Companies to that extent shall stand cancelled.
- (vi) The Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Companies (herein "New Equity Shares") shall rank pari passu in all respect, with the existing equity shares in the Transferee Company and shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- (vii) New Equity Shares to be issued by the Transferee Company pursuant to Clause 9(ii) above shall be issued in dematerialized form by the Transferee Company. In that relation, the shareholders of the Transferor Companies shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has not provided the requisite details relating to his/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the share of the Transferee Company, then the Transferee Company shall issue New Equity Shares in physical form to such shareholder or shareholders.
- (viii) The New Equity Shares to be allotted shall, subject to Applicable Laws, be listed and admitted to trading on the Stock Exchanges.
- (ix) the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies pursuant to Clause 9(ii) above is an integral part of this Scheme.
- (x) The approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies as provided in this Scheme.

10. AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY

- (i) Upon the Scheme becoming effective, the Authorized Share Capital of each of the Transferor Companies will get merged with that of the Transferee Company and, any additional fees will be borne by the Transferee Company after setting off the fees paid by the Transferor Companies on their respective Authorized Share Capital. The Authorized Share Capital of the Transferee Company will automatically stand increased to the effect by simply filing the appropriate forms with the concerned authority and no separate procedure or resolution prescribed under the Act or instrument or deed or payment of any stamp duty and registration fees shall be required.
- (ii) Consequently, Clause 5 of the Memorandum of Association of the Transferee Company shall, without any act, instrument or deed be stand altered, modified or substituted pursuant to section 13 and 232 of the Act as set out below:

“5. The capital of the Company is Rs.58,95,00,000/- (Rupees Fifty Eight Crores and Ninety Five Lakhs Only) divided into 5,89,50,000 Equity Shares of Rs, 10/- each and Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10/- each.”

11. ACCOUNTING TREATMENT FOR AMALGAMATION

- 11.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the applicable accounting standards i.e. Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act read with relevant rules issued thereunder and in accordance with prevailing guidelines.
- 11.2 Upon the Scheme becoming effective, all assets and liabilities, including reserves of the Transferor Companies shall be recorded in the books of the Transferee Company at their existing carrying values and in the same form under ‘Pooling of Interest Method’ as described in Appendix “C” of Indian Accounting Standards 103 (“Ind AS 103”), Business Combinations, which provides guidance on accounting for Business Combinations of Entities under “Common Control” issued by the Institute of Chartered accountants of India.
- 11.3 The balance of the retained earnings appearing in the financial statements of the Transferor Companies will be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- 11.4 The difference between the share capital of the Transferor Companies and the aggregate face value of the equity shares of the Transferee Company issued and allotted by it to the members of the Transferor Companies plus any additional consideration in the form of cash or other assets pursuant to the Scheme shall be adjusted in the capital reserve account.
- 11.5 The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Companies, prior to this Scheme being made effective.
- 11.6 To the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 11.7 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunal or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- 11.8 In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent

accounting policies. The difference, if any, in the accounting policies between the Transferor Companies and Transferee Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Transferee Company, as applicable, in accordance with the requirements of Ind AS 8.

11.9 The costs relating to the Scheme (mentioned in Clause 18 below) will be accounted in accordance with Ind AS 103.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Companies as envisaged above shall not affect any transaction or proceedings already concluded by the Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Companies accept and adopts all acts, deed and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on that behalf.

13. DISSOLUTION OF TRANSFEROR COMPANIES

On occurrence of the Effective Date, all Transferor Companies shall, without any further act or deed, shall stand dissolved without winding up.

PART – III

14. APPLICATION TO NCLT

The Transferor Companies and Transferee Company shall file necessary applications with the NCLT, Kolkata Bench, under Sections 230 to 232 and other applicable provisions of the Act read with applicable provisions of Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 for sanctioning the Scheme with such modifications as may be approved by the NCLT.

15. LISTING AGREEMENT AND SEBI COMPLIANCE

Since the Transferor Companies and Transferee Company are listed companies, this Scheme is subject to the compliances of all the requirements under the SEBI Listing Regulations and all statutory directives of SEBI in so far as they relate to sanction and implementation of the Scheme including the SEBI Scheme Circular.

16. DIVIDENDS

- (i) The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting period prior to the Effective Date as approved by their respective Boards.
- (ii) The members of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (iii) For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends whether interim or final, to its members as on the record date and those who are members only of the Transferor Companies shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective Date.

- (iv) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any rights on any member of the Transferor Companies and/or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company respectively, and subject to the approval, if required, of the members of the Transferor Companies and the Transferee Company, respectively.

17. MODIFICATION OR AMENDMENT OF THE SCHEME AND REVOCATION OF THE SCHEME

- (i) The Transferee Company and the each of the Transferor Company by their respective Board or such other person or persons, as the respective Board may authorize, including any committee or sub-committee thereof, may make and/or consent to any modification or amendments to the Scheme or to any conditions or limitations that the NCLT/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and each of the Transferor Company, by their respective Board, or such other person or persons, as the respective Board may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all the acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise however arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- (ii) The Transferor Companies and Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any concerned authority is unacceptable; or (b) they are of the view that coming into effect of the respective parts to this scheme could have adverse implications on the respective companies.
- (iii) The scheme is conditional upon being approved by the public shareholders of the concerned Transferor Companies and the Transferee Company through e-voting in terms of para 9(a) of Part I of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the scheme shall be acted upon only if votes casted by the public shareholders in favour of the scheme is more than the number of votes casted by the public shareholders against it.
- (iv) In the event of any of the said sanctions/ approvals/ conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the concerned Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except, in respect of any act or deed done prior thereto as in contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of each of the Transferor

Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of the view that the coming into effect of this Scheme in terms of provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implications on all/ any of the companies.

18. COSTS

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding added to the value of the immovable properties), levies and all other expenses shall be debited to the profit and loss account of the Transferee Company.

19. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.