NOTE 1 (A) : CORPORATE INFORMATION

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

NOTE 1 (B) : SIGNIFICANT ACCOUNTING POLICIES.

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

I) BASIS OF PREPARATION

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

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

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

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

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

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

Use of Estimates and Management Judgement

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

II) Revenue Recognition

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

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

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III) Other Income:

1 Interest Income on Financial Assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the Financial Asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.

2 Dividends are recognized in the statement of profit and loss only when the right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

3 Profit/Loss on sale of Investments is recognised on the contract date.

4 Others: The Company recognizes other income (including rent and misc receipts) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

IV) Property, Plant and Equipment

a) On transition to Ind AS, the Company has elected to continue the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and used those carrying values as the deemed cost of property, plant and equipment.

b) Asset Class:

i) Freehold Land is carried at historical cost including cost that is directly attributable to the acquisition of the land.

ii) All other items of property, plant and equipment are stated at historical cost less accumulated depreciation/ amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

Depreciation

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

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

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

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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.

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

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

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

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

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

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

Financial Liabilities and equity instruments issued by the Company

Classification as debt or equity

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

Equity Instruments

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

Compound instruments

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

Financial Liabilities

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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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 entitiy 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 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 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 an deffered 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 oustanding 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 oustanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

HINDUSTHAN UDYOG LTD
Notes to Standalone Financial Statement As At 31.03.2018

NOTE 2: PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	PROPERTY, PLANT & EQUIPMENT								
	Freehold Land	Lease Hold Land *	Building & Structures	Plant & Equipments	Electronic Data Processing	Electric Installations	Vehicles	Furniture & Fittings	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Gross block									
Gross Carrying Amount As At 1st April, 2017	193.63	166.84	569.52	510.03	0.84	31.85	45.33	34.27	**1,552.33**
Additions during the year	-	-	-	19.05	-	0.07	25.45	9.08	**53.66**
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	(13.34)	-	-	-	-	(13.34)
Gross carrying amount as at 31st March, 2018	**193.63**	**166.84**	**569.52**	**515.74**	**0.84**	**31.92**	**70.78**	**43.35**	**1,592.64**
Depreciation /Amortisation									
Accumulated depreciation/amortisation as at 1st April, 2017	-	1.56	29.97	70.56	0.51	5.46	14.11	7.56	**129.73**
Depreciation/ amortisation for the year	-	1.37	29.17	53.87	0.21	16.89	14.33	7.91	**123.73**
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	(1.50)	-	-	-	-	(1.50)
Accumulated depreciation as at 31st March, 2018	-	**2.92**	**59.14**	**122.92**	**0.72**	**22.35**	**28.43**	**15.47**	**251.96**
Net carrying amount as at 31st March, 2018	**193.63**	**163.92**	**510.38**	**392.82**	**0.12**	**9.57**	**42.35**	**27.89**	**1,340.68**
Gross block									
Deemed Cost as at 1st April, 2016	193.63	166.84	569.52	473.97	0.66	31.85	45.33	33.47	**1,515.28**
Additions during the year	-	-	-	36.06	0.19	-	-	0.80	**37.05**
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31st March, 2017	**193.63**	**166.84**	**569.52**	**510.03**	**0.84**	**31.85**	**45.33**	**34.27**	**1,552.33**
Depreciation /Amortisation									
Opening accumulated depreciation/amortisation as at 1st April, 2016	-	-	-	-	-	-	-	-	-
Depreciation/ amortisation for the year	-	1.56	29.97	70.56	0.51	5.46	14.11	7.56	**129.73**
Reclassification made during the year	-	-	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March, 2017	-	**1.56**	**29.97**	**70.56**	**0.51**	**5.46**	**14.11**	**7.56**	**129.73**
Net carrying amount as at 31st March, 2017	**193.63**	**165.29**	**539.55**	**439.47**	**0.33**	**26.39**	**31.23**	**26.71**	**1,422.59**
Net carrying amount as at 1st April, 2016	193.63	166.84	569.52	473.97	0.66	31.85	45.33	33.47	**1,515.28**

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

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(₹ In Lakhs)

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

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Cost	Market Value	Cost	Market Value	Cost	Market Value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Aggregate value of Quoted Investments	410	20,243.22	422.64	17,983.06	422.64	15,200.59

SALARPURIA & PARTNERS Chartered Accountants Kolkata

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

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

(₹ In Lakhs)

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

HINDUSTHAN UDYOG LTD
Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

Note : 4 DEFERRED TAX (NET)	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Deffered Tax Asset / (Liability)	(109.43)	(108.72)	(131.81)
	(109.43)	(108.72)	(131.81)

(₹ In Lakhs)

Note : 5 OTHER NON CURRENT ASSETS	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Advances - Non Current	1.27	1.27	2.49
Mat Credit Entitlement	11.47	11.47	11.47
Security Deposits	78.57	101.87	118.57
Total	91.30	114.60	132.53

(₹ In Lakhs)

Note : 6 INVENTORIES	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Raw Material	557.76	584.81	584.49
Work In Progress	709.72	622.11	691.48
Finished Goods	-	119.49	116.02
Tools & Implements	38.67	51.55	68.74
Traded Goods	-	-	-
Total	1,306.15	1,377.97	1,460.73

SALARPURIA & PARTNERS Chartered Accountants Kolkata

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

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

(₹ In Lakhs)

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

(₹ In Lakhs)

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

(₹ In Lakhs)

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

SALARPURIA & PARTNERS Chartered Accountants Kolkata

(₹ In Lakhs)

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

a. **Reconciliation of shares outstanding at the beginning & at the end of the reporting period** (₹ In Lakhs)

Equity Shares	Nos.	As At 31.03.2017 ₹	Nos.	As At 31.03.2016 ₹
At the beginning of the period	**7,176,725**	**717.67**	7,176,725	717.67
Issued during the period	-	-	-	-
Outstanding at the end of the period	**7,176,725**	**717.67**	7,176,725	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 31.03.2018 % Holding in the Class	Nos.	As at 31.03.2017 % Holding in the Class
Equity Shares of ₹ 10/- Each				
1. V.N. Enterprises Limited	**1,659,625**	**23.13**	1,659,625	23.13
2. Poonam Jhaver	**1,000,000**	**13.93**	1,000,000	13.93
3. Bengal Steel Industries Limited	**598,600**	**8.34**	598,600	8.34
4. Tea Time Limited	**594,600**	**8.29**	594,600	8.29
5. Neptune Exports Limited	**590,400**	**8.23**	590,400	8.23
6. Orient International Limited	**546,850**	**7.62**	546,850	7.62
7. Asutosh Enterprises Limited	**457,500**	**6.37**	457,500	6.37
8. Prakash Agarwal	**516,200**	**7.19**	178,500	2.49

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

f. For the period of five years immediately preceding the date as at the Balance Sheet is prepared:
No Shares have been alloted as fully paid up pursuant to contract(s) without payment being received in cash.
No Shares have been alloted as fully paid up by way of Bonus Shares.
No Shares has been bought back by the Company.

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

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

SALARPURIA & PARTNERS * Chartered Accountants * Kolkata *

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ in Lakhs)

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

* The Loan is secured by hypothecation of Motor vehicles and is repayable in monthly instalments.
Rate of Interest :
Car Loan I - 10.25% (Repayable in 17 No. of Installments)
Car Loan II - 8.50% (Repayable in 11 No. of Installments)

(₹ In Lakhs)

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

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

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

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(₹ In Lakhs)

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

(₹ In Lakhs)

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

SALARPURIA & PARTNERS Chartered Accountants Kolkata

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

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

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

(₹ In Lakhs)

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

(₹ In Lakhs)

Note : 14 OTHER CURRENT LIABILITIES	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 01.04.2016 ₹
Advance from Customers	9.37	5.07	8.72
Deposits From Contractors	4.88	6.38	6.38
Security Deposits Received	-	10.80	-
Statutory Dues Payable			
– Provident Fund	8.01	4.85	4.57
– Employee State Insurance Fund & Labour Welfare Fund	1.89	0.98	0.53
– Goods & Services Tax			
* C. G. S. T. Payable	8.03	-	-
* S. G. S. T. Payable	8.03	-	-
* I. G. S. T. Payable	112.81	-	-
– Sales Tax Payable	-	15.78	(0.01)
– Tax Deducted At Source	7.33	8.48	7.21
– Professional Tax	0.65	0.32	0.26
Advance From Others *	3,468.02	658.02	1,375.87
Total	3,629.01	710.69	1,403.52
* Includes from WPIL (Associate)	3,420.00	570.00	570.00

HINDUSTHAN UDYOG LTD

Notes to Standalone Financial Statement As At 31.03.2018

(₹ In Lakhs)

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

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HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

(₹ In Lakhs)

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

(₹ In Lakhs)

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

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HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

(₹ In Lakhs)

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

(₹ In Lakhs)

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

(₹ In Lakhs)

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

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

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HINDUSTHAN UDYOG LTD
Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

(₹ In Lakhs)

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

(₹ In Lakhs)

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

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HINDUSTHAN UDYOG LTD

Notes to the Standalone Financial Statement for the Year Ended 31.03.2018

(₹ In Lakhs)

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

SALARPURIA & PARTNERS Chartered Accountants Kolkata

Note: 24 NOTES

24 *First-time Adoption of IND AS*

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

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

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

A. **Optional Exemptions availed**

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

2 **Investments In Associate**

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

B. **Applicable Mandatory Exceptions**

1 **Estimates**

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

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

24.2 Contingent Liabilities

a) Letters of Guarantee outstanding as at 31.03.2018 is Rs. 38.43 Lacs (Previous Year - Rs. 38.43 Lacs)

b) Claim not acknowledged as debts: - Disputed demand for Sales Tax Rs. 131.32 Lacs (Previous Year - Rs. 140.47 Lacs) appealed against.

24.3 Related Party Disclosures:

i) <u>Relationship</u>
Key Managerial Personnel (KMP) & their Relatives

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

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

ii) <u>Transactions with Related Parties</u> (₹ In Lakhs)

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

*** All receivables and payables are subject to confirmation.**

Chartered Accountants Kolkata

Note: 24 NOTES

24.4 Segment Reporting

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

Information about Secondary Segments - Geographical

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

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

24.6 FAIR VALUE MEASUREMENTS

(I) Financial instruments by category

(₹ In Lakhs)

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

(II) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair valur 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.

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

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

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

24.9 **Earnings Per Share**

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

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

A. Defined Benefit Plan

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

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

(₹ In Lakhs)

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

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

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

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

(₹ In Lakhs)

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

(₹ In Lakhs)

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

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

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

Notes:

1 Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments

2 Under the previous GAAP, investment in equity instruments were classified as long term investments or current investment based on the intended holding period and realisability. The Company accounted for long term investments in equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments, if any.
Under Ind AS, the Company has the option to designate such investments either as FVTOCI or FVTPL investments. Further, in case of a associate, the Company has the option to account for investment in shares either at cost/deemed cost or FVTOCI or FVTPL as at the transition date.
As per the aforesaid alternatives, the Company has designated investment in the associate (quoted investment) at deemed cost i.e. the previous GAAP carrying amount as at the date of transition.
In case of other long term investments in unquoted equity shares, the Company has designated investments as FVTOCI investments as at the date of transition. Ind AS requires FVTOCI investments to be measured at fair value. However, since, the fair valuation has been done based on level 3 inputs, difference in fair value of investments as per Ind AS and carrying value of investments as per previous GAAP.

3 Preference Shares issued by the company was recognised under Share Capital as per previous GAAP. It has now been classified as debt as per Ind AS and measured at fair value through amortized cost using effective interest rate method.

4 **Defined Benefit Liabilities**
As under previous GAAP, under Ind AS also, the company continues to recognize cost related to its post - employment defined benefit plan on an acturial basis. The entire cost, including acturial gains and losses, was charged to Statement of Profit and Loss.
Under Ind AS, re-measurements of defined benefit plan are recognised in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 19,19,614 and re-measurement losses on defined benefit plans has been recognized in the OCI, net of tax as at the transition date.
Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred as at the date of transition to Ind AS.

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

Total comprehensive income and other comprehensive income
Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

5 The difference between the fair value and the carrying value of the preference shares have been recognised as deferred liability on initial recognition and amortised over the life of the preference shares.

6 Deferred Tax Liability has been created on account of fair valuation of investments in equity shares.

SALARPURIA & PARTNERS
Chartered Accountants
Kolkata

HINDUSTHAN UDYOG LTD

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

CIN No.: L27120WB1947PLC015767

(₹ In Lakhs)

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

Notes:

1 ***Excise Duty***

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

2 **Defined Benefit Liabilities**

As under previous GAAP, under Ind AS also, the company continues to recognize cost related to its post - employmentdefined benefit plan on an acturial basis. The entire cost, including acturial gains and losses, was charged to Statement of Profit and Loss.
Under Ind AS, re-measurements of defined benefit plan are recognised in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). . Thus, the employee benefit cost is reduced by ₹ 19.20 Lakhs and re-measurement losses on defined benefit plans has been recognized in the OCI, net of tax as at the transition date.

3 **Finance Cost**

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

4 **Depreciation**

Under previous GAAP, the company used to adjust proportionate amount of depreciation with the revaluation reserve.
As per Ind AS the same treatment is not allowed and hence the amount charged to revaluation reserve has now been charged to Statement of Profit & Loss.